United States Court of Appeals

for the Second Circuit

APPENDIX

75-4266

B
P/S

United States Court of Appeals
FOR THE SECOND CIRCUIT

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO and NEW YORK SHIPPING ASSOCIATION, INC.,
Petitioners,

v.

NATIONAL LABOR RELATIONS BOARD,
Respondent.

ON PETITION TO REVIEW AND SET ASIDE AN ORDER OF THE NATIONAL LABOR RELATIONS BOARD

JOINT APPENDIX
Volume I—Pages 1a-676a

THOMAS W. GLEASON, Esq.
Attorney for Petitioner,
International Longshoremen's Association, AFL-CIO
17 Battery Place
New York, New York 10004
(212) 425-3240

LORENZ, FINN, GIARDINO & LAMBOS
Attorneys for Petitioner,
New York Shipping Association, Inc.
25 Broadway
New York, New York 10004
(212) 943-2470

UNITED STATES COURT OF APPEALS
FILED
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SECOND CIRCUIT

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11

PAGINATION AS IN ORIGINAL COPY

INDEX

	PAGE
Docket Entries	1a
General Counsel's Exhibit "GC-1(e)"	13a
General Counsel's Exhibit "GC-1(i)"	27a
General Counsel's Exhibit "GC-1(j)"	30a
General Counsel's Exhibit "GC-2(e)"	33a
General Counsel's Exhibit "GC-2(f)"	46a
General Counsel's Exhibit "GC-2(h)"	50a
Joint Exhibit 1	53a
Supplemental Affidavits	61a
April 5, 1974 Affidavit of Joseph F. Mangan	61a
April 6, 1974 Affidavit of Joseph E. McCarthy	71a
Affidavit of Willard L. Swain	77a
Affidavit of Charles Meyers	85a
April 19, 1974 Affidavit of Thomas W. Gleason	90a
March 12, 1974 Letter From ILA President Gleason to IBT President Fitzsimmons	98a
April 22, 1974 Telegram From IBT President Fitzsimmons to ILA President Gleason	100a
Affidavit of J. Warren Mangan	101a
Affidavit of Percy Marcus	102a
Attachment A to Marcus Affidavit	106a
April 29, 1974 Affidavit of Joseph E. McCarthy	111a
April 30, 1974 Affidavit of Joseph F. Mangan	112a
Attachment A to April 30, 1974 Mangan Affidavit	113a

PAGE

Affidavit of Fred R. Field, Jr. 114a

May 6, 1974 Affidavit of Thomas W. Gleason 118a

Affidavit of Raymond J. Connors 121a

Attachments to Connors' Affidavit 126a, 128a

Decision and Order of Administrative Law Judge Arnold Ordman 129a

Decision and Order of The National Labor Relations Board 186a

Respondents' Exhibit "R-1" 207a

Respondents' Exhibit "R-2" 214a

Respondents' Exhibit "R-3" 220a

Respondents' Exhibit "R-4A" 251a

Respondents' Exhibit "R-4B" 253a

Respondents' Exhibit "R-4C" 255a

Respondents' Exhibit "R-4D" 258a

Respondents' Exhibit "R-4E" 263a

Respondents' Exhibit "R-4F" 264a

Respondents' Exhibit "R-4G" 266a

Respondents' Exhibit "R-5" 269a

Respondents' Exhibit "R-6" 272a

Respondents' Exhibit "R-7" 274a

Respondents' Exhibit "R-8" 276a

Respondents' Exhibit "R-9" 281a

Respondents' Exhibit "R-10" 284a

Respondents' Exhibit "R-12" 285a

Excerpts from Respondents' Exhibit "R-13" 286a

PAGE

Excerpts from Respondents' Exhibit "R-15" 309a

Respondents' Exhibit "R-16" 318a

Respondents' Exhibit "R-17" 322a

Respondents' Exhibit "R-18" 329a

Respondents' Exhibit "R-19a" 385a

Respondents' Exhibit "R-20" 386a

Respondents' Exhibit "R-21" 401a

Respondents' Exhibit "R-23" 404a

Respondents' Exhibit "R-24" 405a

Respondents' Exhibit "R-25" 410a

Respondents' Exhibit "R-26" 412a

Respondents' Exhibit "R-27" 416a

Respondents Exhibit "R-28" 418a

Respondents' Exhibit "R-29" 420a

Respondents' Exhibit "R-30" 423a

Respondents' Exhibit "R-31" 424a

Respondents' Exhibit "R-32" 428a

Respondents' Exhibit "R-33" 435a

Respondents' Exhibit "R-34" 436a

Respondents' Exhibit "R-35" 438a

Respondents' Exhibit "R-36" 442a

Respondents' Exhibit "R-37" 444a

Respondents' Exhibit "R-38" 450a

Respondents' Exhibit "R-39" 453a

Respondents' Exhibit "R-40" 460a

Respondents' Exhibit "R-41" 463a

PAGE

Respondents' Exhibit "R-42" 472a
Respondents' Exhibit "R-43" 485a
Respondents' Exhibit "R-44" 489a
Respondents' Exhibit "R-45" 497a
Respondents' Exhibit "R-46" 503a
Petitioner's (CONEX) Exhibit "P-1" 510a
Petitioner's (CONEX) Exhibit "P-2" 518a
Petitioner's (CONEX) Exhibit "P-3a" 524a
Petitioner's (CONEX) Exhibit "P-3b" 525a
Petitioner's (CONEX) Exhibit "P-4" 526a
Petitioner's (CONEX) Exhibit "P-6" 527a
Petitioner's (CONEX) Exhibit "P-7" 541a
Petitioner's (CONEX) Exhibit "P-8" 548a
Petitioner's (CONEX) Exhibit "P-9" 549a
Petitioner's (CONEX) Exhibit "P-10" 552a
Petitioner's (CONEX) Exhibit "P-11" 570a
Petitioner's (CONEX) Exhibit "P-12" 584a
Petitioner's (CONEX) Exhibit "P-13" 600a
Petitioner's (CONEX) Exhibit "P-14" 616a
Petitioner's (CONEX) Exhibit "P-15" 635a
Petitioner's (CONEX) Exhibit "P-16" 654a
Petitioner's (CONEX) Exhibit "P-18A" 670a
Petitioner's (CONEX) Exhibit "P-18B" 677a
Petitioner's (Twin) Exhibit "P(TW)-3C" .....682(1)

PAGE

Excerpts from Petitioner's (Twin) Exhibit "P(TW)-4" ..... 682(2)

Petitioner's (Twin) Exhibit "P(TW)-5" ..... 682(120)

Excerpts from Petitioner's (Twin) Exhibit "P(TW)-7" ..... 682(127)

Petitioner's (Twin) Exhibit "P(TW)-8" 683a

Petitioner's (Twin) Exhibit "P(TW)-9" 694a

Petitioner's (Twin) Exhibit "P(TW)-10" 695a

Petitioner's (Twin) Exhibit "P(TW)-11f" 696a

Petitioner's (Twin) Exhibit "P(TW)-11g" 701a

Petitioner's (Twin) Exhibit "P(TW)-11h" 706a

Petitioner's (Twin) Exhibit "P(TW)-12" 711a

Charging Party's (CONEX) Exhibit "C-3" 722a

Charging Party's (CONEX) Exhibit "C-4" 722f

Charging Party's (CONEX) Exhibit "C-7" 722k

Charging Party's (CONEX) Exhibit "C-9" 722s

CONEX Transcript, Volume I, dated August 20, 1973 723a

Schwartzbart—Colloquy on Behalf of General Counsel 723a

Jacobs—For General Counsel—Direct 725a

CONEX Transcript, Volume II, dated August 23, 1973 772a

Jacobs—For General Counsel—Direct 772a

CONEX Transcript, Volume III, dated August 23, 1973 ..... 800a

Jacobs—For General Counsel—Cross 800a

Jacobs—For General Counsel—Redirect 840a

Dickman—For Respondent NYSA—Direct 841a

PAGE

CONEX Transcript, Volume IV, dated August 24, 1973 ..... 882a

Dickman—For Respondent NYSA—Cross 882a

Dickman—For Respondent NYSA—Redirect .. 902a

Szolkowski—For Respondent NYSA—Direct .. 905a

Szolkowski—For Respondent NYSA—Cross .. 909a

CONEX Transcript, Volume V, dated August 29, 1973 953a

Nicholas—For Respondent NYSA—Direct 953a

Nicholas—For Respondent NYSA—Cross 960a

CONEX Transcript Volume VI, dated August 30, 1973 ..... 967a

Nicholas—For Respondent NYSA—Cross 967a

Haynes—For Respondent NYSA—Direct 981a

Novacek—For General Counsel—Direct 1024a

Novacek—For General Counsel—Cross 1035a

Novacek—For General Counsel—Redirect 1036a

Haynes—For Respondent NYSA—Cross 1038a

Raiola—For Respondent HLA—Direct 1067a

Gleason—For Respondent HLA—Direct 1071a

CONEX Transcript, Volume VII, dated August 31, 1973 .....1076a

McEvoy—For Respondent NYSA—Direct 1076a

Gleason—For Respondent HLA—Direct 1086a

Jacobs—For General Counsel—Rebuttal (Direct) 1104a

Jacobs—For General Counsel—Rebuttal (Cross) 1115a

PAGE

Schwartzbart—Colloquy on Behalf of General Counsel 1120a

U.S.D.J. Lacey 1125a

Twin Transcript, Volume 1, dated February 5, 1974 ..1126a

Schwartzbart—Colloquy on Behalf of General Counsel 1126a

Semack—For General Counsel—Direct 1127a

Tattersall—For Respondent ILA—Direct 1142a

Tattersall—For Respondent ILA—Cross 1147a

Goodman—Colloquy on Behalf of General Counsel 1150a

Longo—For General Counsel—Direct 1151a

Longo—For General Counsel—Cross 1155a

Pinero—For General Counsel—Direct 1157a

Pinero—For General Counsel—Cross 1160a

Sanjurjo—For General Counsel—Cross 1161a

Schwartzbart—Colloquy on Behalf of General Counsel 1162a

Twin Transcript, Volume II, dated February 6, 1974 .....1164a

Sanjurjo—For General Counsel—Cross 1164a

Sanjurjo—For General Counsel—Redirect 1175a

Gleason—Colloquy on Behalf of Respondent ILA 1177a

Miscellaneous Documents Not Part of Record 1179a

Docket Entries.

UNITED STATES COURT OF APPEALS

FOR THE SECOND CIRCUIT

No. 75-4266

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO and NEW YORK SHIPPING ASSOCIATION, INC.,

Petitioners,

v.

NATIONAL LABOR RELATIONS BOARD,

Respondent.

CERTIFIED LIST OF THE NATIONAL LABOR RELATIONS BOARD

The National Labor Relations Board, by its Executive Secretary duly authorized by Section 102.115, Rules and Regulations of the National Labor Relations Board—Series 8, hereby certifies that the list set forth below constitutes a full and accurate transcript of the entire original record of a proceeding had before said Board and known upon its records as Case Nos. 22-CC-541, 22-CC-554, 22-CE-19 and 22-CE-20. Such transcript includes the pleadings and testimony and evidence upon which the Order of the Board was entered and includes also the findings and order of the Board.

VOLUME I—Exhibits introduced into evidence in District Court proceeding, Civil No. 1155-73:

PETITIONER'S EXHIBIT NOS.

1 and 2

3(a) and 3(b)

4

5-A thru 5-H (Identified only)

6 thru 16

17 (Identified only)

18(a) thru 18(d)

19 thru 21 (Identified only)

22

VOLUME II—Exhibits introduced into evidence in District Court proceeding, Civil No. 1155-73: (Cont'd)

RESPONDENTS' EXHIBIT NOS.

1 thru 13

14 (Identified only)

15 thru 18

VOLUME II—Exhibits introduced into evidence in District Court proceeding, Civil No. 1155-73: (Cont'd)

RESPONDENTS' EXHIBIT NOS. (Cont'd)

19(a)

20

VOLUME III—Exhibits introduced into evidence in District Court proceeding, Civil No. 1155-73: (Cont'd)

CHARGING PARTY'S EXHIBIT NOS.

1 thru 4

Docket Entries.

5 and 6 (Identified only)

7

8 and 8-A (Identified only)

9

CERTIFIED RECORD

VOLUME IV

Stenographic transcript of testimony taken before United States District Judge Frederick B. Lacey at District Court proceeding, Civil No. 1155-73, on August 20, 22, 23, 24, 29, 30, and 31, and September 24, 1973 1–1219

VOLUME V—Exhibits introduced into evidence in District Court proceeding, Civil No. 1811-73:

PETITIONER'S EXHIBIT NOS.

1 and 2

3(a) thru 3(c)

4(a) thru 4(c)

5

VOLUME VI—Exhibits introduced into evidence in District Court proceeding, Civil No. 1811-73: (Cont'd)

PETITIONER'S EXHIBIT NO.

6

VOLUME VII—Exhibits introduced into evidence in District Court proceeding, Civil No. 1811-73: (Cont'd)

PETITIONER'S EXHIBIT NOS.

7 thru 10

11-A thru 11-H

12 and 13

VOLUME VIII—Exhibits introduced into evidence in District Court proceeding, Civil No. 1811-73: (Cont'd)

RESPONDENT UNION'S EXHIBIT NOS.

1 and 1(a)

1 thru 10	)	These exhibits are
11 (skipped)	)	the same as those
12	)	received in District
13 thru 16 (skipped)	)	Court proceeding,
17 and 18	)	Civil No. 1155-73
19(a)	)	(1 thru 20)
20	)	

21 thru 46

	CERTIFIED RECORD
VOLUME IX—	
Stenographic transcript of testimony taken before United States District Judge Frederick B. Lacey in the District Court proceeding, Civil No. 1811-73, on January 29, and	1–39
February 5, and 6, 1974	1–236

VOLUME X—Pleadings

1. Copy of Charge filed in 22-CE-19, together with affidavit of service thereof, on June 1, 1973	1-3
2. Copy of Charge in 22-CC-541, together with affidavit of service thereof, filed June 1, 1973	1–7

Docket Entries.

3. Copy of Petition for Injunction Under Section 10(1) of the National Labor Relations Act, as Amended, in Civil No. 1155-73, with attachments, dated August 10, 1973 1–17

4. Copy of Petitioner[1] New York Shipping Association, Inc.'s Answer in Civil No. 1155-73, dated August 15, 1973 1–5

5. Copy of Petitioner[1] International Longshoremen's Association, AFL-CIO's Answer in Civil No. 1155-73, dated August 15, 1973 1–4

6. Copy of Order Consolidating Cases, Complaint and Notice of Hearing, together with affidavit of service thereof, dated August 23, 1973 1–15

7. Copy of Order Postponing Hearing and Extending Time to File Answer, together with affidavit of service thereof, dated September 6, 1973 1–3

8. Copy of Petitioner Union's Answer to Complaint, with attachments, received September 13, 1973 1–13

9. Copy of Petitioner Employer's Answer, received September 13, 1973 1–6

10. Copy of Order Postponing Hearing, together with affidavit of service thereof, dated September 21, 1973 1–2

11. Copy of Order Postponing Hearing Indefinitely, together with affidavit of service thereof, dated October 5, 1973 1–3

[1] Petitioners herein were Respondents before the Board.

Docket Entries.

12. Copy of Stipulation entered into by all parties, dated October 25, 1973 1–3

13. Copy of Charge in 22-CC-554, together with affidavit of service thereof, filed November 2, 1973 1–3

14. Copy of Charge in 22-CE-20, together with affidavit of service thereof, filed November 2, 1973 1–3

15. Copy of Truck Drivers Local Union No. 807's motion to intervene in 22-CC-541 and 22-CE-19, dated November 30, 1973 .. 1–2

16. Copy of Petition for Injunction Under Section 10(1) of the National Labor Relations Act, As Amended, in Civil No. 1811-73, with attachments, dated December 14, 1973 1–17

17. Copy of Petitioner New York Shipping Association's opposition to motion to intervene filed by Truck Drivers Local Union No. 807, dated December 20, 1973.. 1–2

18. Copy of Petitioner International Longshoremen's Association, AFL-CIO's Answer in Civil Action No. 1811-73, dated December 26, 1973 1–4

19. Copy of Petitioner New York Shipping Association, Inc.'s Answer in Civil Action No. 1811-73, dated December 27, 1973 ... 1–4

20. Copy of Order Consolidating Cases, Complaint and Notice of Hearing, together with affidavit of service thereof, dated January 3, 1974 1–14

Docket Entries.

21. Copy of General Counsel's Motion to Chief Administrative Law Judge for Consolidation of Proceedings, and advising that the General Counsel does not object to the pending motion by Local 807, IBTCWHA, to intervene, dated January 11, 1974 1–22
(with attachment)

22. Copy of Petitioner International Longshoremen's Association, AFL-CIO's Answer, received January 16, 1974 1–5

23. Copy of Petitioner New York Shipping Association, Inc.'s Response to Motion of General Counsel for Consolidation of Proceedings, dated January 17, 1974 1–10

24. Copy of Administrative Law Judge's teletype granting Truck Drivers Local No. 807's motion to intervene and General Counsel's motion for consolidation of proceedings, dated January 22, 1974 1

25. Copy of Petitioner New York Shipping Association, Inc.'s Answer. received February 1, 1974 1–5

26. Copy of Administrative Law Judge's telegraphic message setting date for hearing in consolidated proceedings, dated February 1, 1974 1

27. Copy of Charging Party Twin Express, Inc.'s Motion to the Regional Director to Extend the Date of Hearing, dated February 13, 1974 1–4

28. Copy of Administrative Law Judge's telegraphic message granting motion to extend the hearing date and rescheduling hearing, dated February 21, 1974 1–2

29. Copy of General Counsel's letter advising parties of the location of hearing, dated March 26, 1974 1–2

30. Copy of Administrative Law Judge's telegram advising parties that hearing is adjourned sine die to enable the parties to perfect stipulations, dated April 2, 1974.. 1

31. Copy of Stipulation entered into by all parties, dated April 4, 1974 1–5

32. Copy of Truck Drivers Local 807's affidavits of Joseph F. Mangan and Joseph E. McCarthy dated April 6, 1974 1–18

33. Copy of Petitioners' answering affidavits of Messrs. Gleason, Meyers and Swain, dated April 22, 1974 1–42

34. Copy of Truck Drivers Local 807's rebuttal affidavits in response to the reply affidavits of the Petitioners, by Percy Marcus, Joseph E. McCarthy and J. Warren Mangan, dated April 29, 1974 1–11

35. Copy of Truck Drivers Local 807's rebuttal affidavit of Joseph F. Mangan to the reply affidavit of Thomas W. Gleason, dated April 30, 1974 1–3

36. Copy of Truck Drivers Local 807's letter submitting a telegram in rebuttal of the affidavit submitted by Thomas W. Gleason, dated May 1, 1974 1–3

37. Copy of Petitioners' reply affidavits to the affidavits of Percy Marcus and J. Warren Mangan, dated May 6, 1974 1–17

38. Copy of Petitioner Union's letter submitting memoranda for attachment to Mr. Connor's affidavit of May 6, 1974, dated June 13, 1974 1–6

39. Copy of Charging Party Consolidated Express, Inc.'s letter concerning Petitioner's memoranda of June 13, 1974, dated June 14, 1974 1–3

40. Copy of General Counsel's letter concerning Petitioner's Memoranda of June 13, 1974, dated July 3, 1974 1–12
(with attachment)

41. Copy of Petitioner Employer's Letter commenting on General Counsel's letter and enclosure of July 3, 1974, dated July 9, 1974 1–3

42. Copy of Administrative Law Judge Arnold Ordman's Decision issued on December 9, 1974 1–37

43. Copy of Petitioner Employer's request for oral argument, dated February 11, 1975 1
(Denied, see Decision and Order, page 2, footnote 7).

44. Copy of Charging Party Consolidated Express, Inc.'s Motion for Oral Argument, dated February 12, 1975 1–4
(Denied, see Decision and Order, page 2, footnote 7).

45. Copy of Charging Party Consolidated Express, Inc.'s Exceptions to Decision of Administrative Law Judge, received February 12, 1975 1–23

46. Copy of Truck Drivers Local 807's Exceptions to the Administrative Law Judge's Decision, received February 12, 1975 1–17

47. Copy of Charging Party Twin Express, Inc.'s Exceptions to the Decision of Administrative Law Judge Arnold Ordman, received February 12, 1975 1–76

48. Copy of General Counsel's Exceptions to the Administrative Law Judge's Decision, received February 13, 1975 1–8

49. Copy of Charging Party Consolidated Express, Inc.'s request to file a brief responding to the Answering Briefs of Petitioners, dated February 19, 1975 ... 1–2

50. Copy of Petitioner Employer's letter urging that Charging Party Consolidated Express, Inc.'s request to file an additional brief be denied, dated February 26, 1975 1–2

51. Copy of Charging Party Twin Express, Inc.'s request extension of time to file a Reply to Petitioner Union's Reply Brief, dated March 17, 1975 1–2

52. Copy of Petitioner Employer's letter objecting to request by Twin Express for permission to file an additional brief in rebuttal to petitioners' answering briefs, dated March 19, 1975 1–2

Docket Entries.

53. Copy of Petitioner Union's letter opposing any motions to permit additional Briefs to be filed, dated March 28, 1975 .. 1–2

54. Copy of Petitioner Employer's request for oral argument, dated March 31, 1975 1–2
(Denied, see Decision and Order, page 2, footnote 7).

55. Copy of Board's letter denying Charging Parties' request to file reply brief to the Petitioners' answering briefs, dated April 2, 1975 1–2

56. Copy of Charging Party Twin Express, Inc.'s Motion to Strike from the record of this Case the Entire "Reply to Exceptions" Filed Herein, by the Petitioner Employer or, in the Alternative, to Strike Portions of Said "Reply to Exceptions", dated April 21, 1975 1–20
(Denied, see Decision and Order, page 2, footnote 6).

57. Copy of Charging Party Twin Express, Inc.'s Motion to Strike from the Record of this Case the Entire Brief filed Herein by the Petitioner Union, dated April 21, 1975 1–19
(Denied, see Decision and Order, page 2, footnote 6).

58. Copy of Charging Party Consolidated Express, Inc.'s Motion to Strike Arguments Presented by Petitioners, dated April 22, 1975 1–20
(Denied, see Decision and Order, page 2, footnote 6).

59. Copy of Petitioner Union's letter urging that Twin Express, Inc.'s "Motions" addressed to the Briefs of Petitioners be denied, dated April 24, 1975 1–2

60. Copy of General Counsel's letter in support of Charging Parties' motions to strike briefs of Petitioners, dated April 25, 1975 1–3

61. Copy of Petitioner Employer's letter regarding Charging Parties' motions and urging that the record be closed and that the Board proceed to determine the issues presented on the record as it is now constituted, dated April 29, 1975 1–5

62. Copy of Petitioner Union's letter requesting that Charging Party Consolidated Express, Inc.'s motion to strike briefs be denied, dated April 29, 1975 1–3

63. Copy of Decision and Order issued by the National Labor Relations Board on December 4, 1975 1–23

IN TESTIMONY WHEREOF, the Executive Secretary of the National Labor Relations Board, being thereunto duly authorized as aforesaid, has hereunto set his hand and affixed the seal of the National Labor Relations Board in the city of Washington, District of Columbia, this 9 day of January, 1976.

/s/ JOHN C. TRUESDALE
John C. Truesdale
Executive Secretary
NATIONAL LABOR RELATIONS BOARD

(SEAL)

General Counsel's Exhibit "GC-1(e)".

ORDER CONSOLIDATING CASES, COMPLAINT AND NOTICE OF HEARING

It having been charged in Case No. 22-CC-541 by Consolidated Express, Inc., of 55-80 47th Street, Maspeth, New York, herein called Consolidated, and in Case No. 22-CE-19, by Consolidated, that International Longshoremen's Association, AFL-CIO, of 17 Battery Place, New York, New York, herein called Respondent Union, and that New York Shipping Association, Inc., of 80 Broad Street, New York, New York, herein called Respondent NYSA, have engaged in and are now engaging in certain unfair labor practices affecting commerce, as set forth and defined in the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq., herein called the Act, the General Counsel of the National Labor Relations Board, on behalf of the National Labor Relations Board, herein called the Board, by the undersigned Acting Regional Director for the Twenty-second Region, having duly considered the matter and deeming it necessary in order to effectuate the purpose of the Act, and to avoid unnecessary costs and delay,

IT IS HEREBY ORDERED, pursuant to Section 102.33 of the Board's Rules and Regulations, Series 8, as amended, that these cases be, and they hereby are, consolidated.

Said cases having been consolidated, the General Counsel of the Board, on behalf of the Board, by the undersigned Acting Regional Director, pursuant to Section 10(b) of the Act and Section 102.15 of the Board's Rules and Regulations, hereby issues this Complaint and Notice of Hearing, and alleges as follows:

1. (a) The Charge in Case No. 22-CC-541 was filed on June 1, 1973.

General Counsel's Exhibit "GC-1(e)".

(b) Copies of the Charge in Case No. 22-CC-541 were served by registered mail upon Respondent Union on June 1, 1973, and upon Respondent NYSA on August 22, 1973.

(c) The Charge in Case No. 22-CE-19 was filed on June 1, 1973.

(d) Copies of said Charge were served by registered mail upon Respondent Union and Respondent NYSA, on June 1, 1973.

2. Consolidated is, and has been at all times material herein, a corporation duly organized under, and existing by virtue of, the laws of the Commonwealth of Puerto Rico.

3. At all times material herein, Consolidated has maintained its principal office and place of business at 55-80 47th Street, Maspeth, New York, herein called the Maspeth facility, and various other facilities, including a place of business in the Sabana Gardens Industrial Park, La Ceramica, Carolina, Puerto Rico, herein called the Puerto Rican terminal, and is now and at all times material herein has been continuously, engaged at said facilities in the business of consolidating, containerizing and forwarding cargoes for sea shipment and in removing incoming cargoes from their containers.

4. In the course and conduct of Consolidated's business operations during the preceding twelve months, said operations being representative of its operations at all times material herein, Consolidated provided and performed cargo consolidation, containerizing, freight forwarding and break-bulk services valued in excess of $50,000 were provided and performed within States and territories of the United States other than the State of New York wherein Consolidated is located.

General Counsel's Exhibit "GC-1(e)".

5. Respondent Union is, and has been at all times material herein, a labor organization within the meaning of Section 2(5) of the Act.

6. At all times material herein Thomas W. Gleason, Sr., has been International President of Respondent Union and an agent of Respondent Union within the meaning of Section 2(13) of the Act, acting in its behalf.

7. Respondent NYSA at all times material herein has maintained its principal office at 80 Broad Street, New York, New York, and is and has been, an incorporated association of employers whose members are engaged in various operations involved in the shipment of cargo freight and transportation of passengers in and out of the port of New York, including Port Newark.

8. Sea-Land Service, Inc. (herein called Sea-Land), Seatrain Lines, Inc. (herein called Seatrain), and Transamerican Trailer Transport, Inc. (herein called TTT), are, and at all times material herein have been, employer-members of Respondent NYSA.

9. For many years, the employer-members of Respondent NYSA, including the employer-members named above in paragraph 8, have delegated to Respondent NYSA the authority to conduct collective bargaining negotiations on their behalf and the authority to enter into collective bargaining agreements covering their respective employees.

10. For many years, Respondent NYSA, pursuant to the authority delegated to it as described above in paragraph 9, has negotiated collective bargaining agreements covering employees of its employer-members with Respondent Union.

General Counsel's Exhibit "GC-1(e)".

11. Respondent NYSA is, and at all times material herein has been, an employer within the meaning of Section 2(2) of the Act.

12. In the course and conduct of the business operations of the employer-members of Respondent NYSA during the preceding twelve months, said operations being representative of their operations at all times material herein, the employer-members of Respondent NYSA carried general cargo in interstate and foreign commerce valued in excess of $1,000,000 out of the various piers of the port of New York destined directly to foreign countries and to states of the United States other than the States of New York and New Jersey, for which services during the above time, they derived revenues in excess of $1,000,000.

13. Council of North Atlantic Shipping Associations (herein called CONASA), is, and at all times material herein has been, an association of employer shipping associations whose members are engaged in the business of conducting collective bargaining negotiations on behalf of their respective employer-members and entering into collective bargaining agreements covering the employees of their employer-members.

14. Respondent NYSA is, and at all times material herein has been, an employer association-member of CONASA.

15. Since on or about 1970, the employer association-members of CONASA including Respondent NYSA, have delegated to CONASA the authority to conduct collective bargaining negotiations on their behalf and the authority to enter into collective bargaining agreements and related

accords covering employees of their respective employer-members.

16. For many years, CONASA, pursuant to the authority delegated to it as described above in paragraph 15, has negotiated collective bargaining agreements covering employees of its employer association members with Respondent Union.

17. CONASA is, and at all times material herein has been, an employer within the meaning of Section 2(2) of the Act.

18. Consolidated is, and has been at all times material herein, an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

19. Respondent NYSA is, and has been at all times material herein, an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

20. Sea-Land is, and has been at all times material herein, a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

21. Seatrain is, and has been at all times material herein, a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

22. TTT is, and has been at all times material herein, a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

General Counsel's Exhibit "GC-1(e)".

23. CONASA is, and has been at all times material herein, a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

24. From 1949 until in or about 1965, Valencia-Baxt was engaged, *inter alia,* in the business presently being conducted by Consolidated as described above in paragraph 3, with facilities in New York, New York.

25. On or about 1965, Consolidated, through its two principal owners, obtained from Valencia-Baxt, certain of the physical assets, goodwill, name, accounts receivable and other trade assets of Valencia-Baxt, including the former New York, New York, facility referred to above in paragraph 24 and assumed certain of the liabilities and obligations theretofore incurred by Valencia-Baxt.

26. In or about 1966, Valencia-Baxt ceased to operate the said New York, New York, facilities and, since in or about 1965, and thereafter, Consolidated operated the said New York, New York facilities until it relocated these operations to the Maspeth facility, and has been engaged and is now engaging in substantially the same business operations at the Maspeth facility as had formerly been engaged in by Valencia-Baxt, and has employed substantially the same employees and supervisors as had been employed by Valencia-Baxt.

27. On or about February 14, 1972, Respondent Union and CONASA executed a Memorandum of Understanding, effective from November 14, 1971, to September 30, 1974, herein called the Memorandum, relating to terms and conditions of employment of employees of the employer-members of the various shipping associations that comprise

General Counsel's Exhibit "GC-1(e)".

the membership of CONASA, including Respondent NYSA, which Memorandum contains the following provisions:

"Rules on Containers

* * *

"Rule 1. Definitions and rule as to containers covered

Stuffing—Means the Act of placing cargo into a container.

Stripping—Means the act of removing cargo from a container.

Loading—Means the act of placing containers aboard a vessel.

Discharging—Means the act of removing containers from a vessel.

"These provisions relate solely to containers meeting each and all of the following criteria:

"(a) containers owned or leased by Employer-Members (including containers on wheels) which contain LTL (less than carload) loads or consolidated full container loads.

"(b) such containers which come from or go to any person (including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo.

"(c) such containers which come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

General Counsel's Exhibit "GC-1(e)".

"Rule 2. Rule of stripping and stuffing applied to such containers.

A container which comes within each and all of the criteria set forth in Rule 1 above shall be stuffed and stripped by ILA longshore labor. Such ILA labor shall be paid and employed at longshore rates under the terms and conditions of the General Cargo Agreement. Such stuffing and stripping shall be performed on a waterfront facility, pier or dock. No container of cargo shall be stuffed or stripped by ILA longshore labor more than once. Notwithstanding the above provisions, LTL loads or consolidated container loads of mail, of household goods with no other type of cargo in the container, and of personal effects of military personnel shall be exempt from the rule of stripping and stuffing.

"Rule 3. Rules on No Avoidance of Evasion

* * *

"(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. *If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay to the joint Container Royalty Fund, liquidated damages of $1,000 per container which should have been stuffed or stripped.* * * * If any carrier does not pay liquidated damages within 30 days after exhausting its right to appeal * * *, the ILA shall have the right to stop working such carrier's containers until such damages are paid." (Emphasis supplied.)

General Counsel's Exhibit "GC-1(e)".

28. At all times material herein from on or about February 14, 1972, to date, Respondent Union, Respondent NYSA and CONASA have maintained in effect and enforced the said Rules on Containers described above in paragraph 27.

29. On or about January 29, 1973, CONASA and Respondent Union executed an agreement which included the following provisions:

> "Section II The following standards have been promulgated. The CONASA-ILA Container Committee under resolution dated January 29, 1973, for the fair and non-discriminatory enforcement of the rules set forth above in Section 1 herein.
>
> "I. (a) All outbound (export) consolidated or LTL container loads (Rule 1 containers) shall be stripped from the container at the pier by deepsea ILA labor and cargo shall be stuffed into a different container for loading aboard ship.
>
> "I. (b) All inbound (import) consolidated or LTL cargo (Rule 1 containers) for distribution shall be stripped from the container and the cargo placed on the pier where it will be delivered and picked up by each consignee.
>
> "2. No carrier or direct employer shall supply its containers to any facilities operated in violation of the rules on containers including but not limited to a consolidator who stuffs containers of outgoing cargo of a distributor who strips containers of inbound cargo and including a forwarder who is either a consolidator or a distributor. No carrier or direct employer shall operate a facility in violation of the rule on containers which specifically require that all con-

General Counsel's Exhibit "GC-1(e)".

tainers be stuffed or stripped at a waterfront facility (pier or dock) where vessels normally dock.

"A list shall be maintained of consolidation and distribution stations which are operated in violation of the rules for the information of all carriers and direct employers. Any container consolidated at or distributed from such facilities shall be deemed a violation and subject to the rules on stuffing and stripping."

30. At all times material herein from on or about January 29, 1973, to date, Respondent Union, Respondent NYSA and CONASA have maintained in effect and enforced the provisions set forth above in paragraph 29.

31. Prior to on or about March 26, 1973, Consolidated, in the normal conduct of its business, loaded, consolidated, forwarded and unloaded freight in containers, owned and furnished by employer-members of Respondent NYSA, including Sea-Land, Seatrain and TTT, which freight had been transported between the port of New York, including Port Newark, and Puerto Rico, without further unloading and loading of the containers by employees employed by members of Respondent NYSA or by employee members of Respondent Union.

32. At no time material herein has Consolidated been a member of Respondent NYSA or a signatory to the various agreements between Respondent Union and Respondent NYSA or CONASA described above in paragraphs 27 through 30.

33. Since in or about March, 1973, and at all times material herein, Respondent Union has been engaged in a primary labor dispute with Consolidated related to the work performed by Consolidated described above in paragraph 31.

General Counsel's Exhibit "GC-1(e)".

34. At no time material herein has Respondent Union had any labor dispute with Respondent NYSA or its members, Sea-Land, Seatrain and TTT.

35. Since on or about March, 1973, and at various times thereafter, including or about April 11, 1973, Respondent Union in furtherance of its dispute with Consolidated, has threatened, restrained and coerced, and is now threatening, restraining and coercing Respondent NYSA, Sea-Land, Seatrain, TTT, and other persons engaged in commerce or in an industry affecting commerce by threatening to assess and by assessing liquidated damages in the amount of $1,000 per container, as provided in the agreements described and referred to above in paragraphs 27 through 30, if they continue to furnish containers to, handle, transport the freight of, or do any other business with Consolidated.

36. At all times material herein, Respondent Union has engaged in and is now engaging in the acts and conduct described and referred to above in paragraph 35 with an object thereof being to force and require Respondent NYSA and its employer-members, Sea-Land, Seatrain and TTT and other persons engaged in commerce or in an industry affecting commerce to cease doing business with Consolidated.

37. Pursuant to the contract clauses described and referred to above in paragraph 27 through 30 and, further, in response to the conduct of Respondent Union set forth above in paragraphs 35 and 36, Respondent NYSA and its employer-members, Sea-Land, Seatrain and TTT, have ceased or refrained, and have agreed to cease or refrain, from furnishing containers to, handling, transporting the freight of, or otherwise dealing in the products of Consolidated, or from doing business with Consolidated.

General Counsel's Exhibit "GC-1(e)".

38. By the acts described above in paragraphs 35 through 37, and by each of said acts, for an object set forth above in paragraph 36, occurring in connection with the contract clauses set forth in paragraphs 27 through 30, Respondent Union did threaten, coerce and restrain, and is now threatening, coercing and restraining, persons engaged in commerce and in industries affecting commerce, and Respondent Union thereby did engage in, and is now engaging in, unfair labor practices within the meaning of Section 8(b)(4)(ii)(B) of the Act.

39. By maintaining, giving effect to and enforcing the contracts and agreements described or referred to above in paragraphs 27 through 30, 35 and 37, with respect to the business operations of Consolidated as described above in paragraph 3, and by each of said acts, Respondent Union and Respondent NYSA thereby did engage in, and are now engaging in, unfair labor practices within the meaning of Section 8(e) of the Act.

40. (a) The activities of Respondent Union described above in paragraphs 35 through 38, in the context of the events described above in paragraphs 27 through 34, occurring in connection with the operations of Consolidated described above in paragraphs 2 through 4, and 18, have a close, intimate and substantial relation to trade, traffic and commerce among the several states, and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce, and constitute unfair labor practices affecting commerce within the meaning of Section 8(b)(4)(ii)(B), and Section 2(6) and (7) of the Act.

(b) The activities of Respondent Union and Respondent NYSA described above in paragraphs 27 through 30, 35, 37 and 39, occurring in connection with the opera-

General Counsel's Exhibit "GC-1(e)".

tions of Consolidated described above in paragraphs 2 through 4, and 18, have a close, intimate and substantial relation to trade, traffic and commerce among the several states and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce, and constitute unfair labor practices affecting commerce within the meaning of Section 8(e) and Section 2(6) and (7) of the Act.

PLEASE TAKE NOTICE that on the 11th day of September, 1973, at 11 a.m., in Room 1600, Federal Building, 970 Broad Street, Newark, New Jersey 07102, a hearing will be conducted before a duly designated Administrative Law Judge of the Board on the allegations set forth in the above Complaint, at which time and place you will have the right to appear in person or otherwise and give testimony. Form NLRB-4668, Summary of Standard Procedures in Formal Hearings Held Before the National Labor Relations Board in Unfair Labor Practice Cases, is attached.

You are further notified that, pursuant to Section 102.20 and Section 102.21 of the Board's Rules and Regulations, each Respondent shall file with the undersigned Acting Regional Director, acting in this matter as agent of the Board, an original and four (4) copies of an Answer to said Complaint within ten (10) days from service thereof, and that, unless it does so, all of the allegations contained in the Complaint shall be deemed to be admitted to be true and may be so found by the Board. Immediately upon the filing of Answer, Respondents shall serve a copy thereof on each of the other parties.

WHEREFORE, the General Counsel of the Board, on behalf of the Board, by the Acting Regional Director for the Twenty-second Region, on this 23rd day of August, 1973, issues this Order Consolidating Cases, Complaint and

General Counsel's Exhibit "GC-1(e)".

Notice of Hearing against INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, and NEW YORK SHIPPING ASSOCIATION, INC., Respondents herein.

/s/ BERNARD L. BALICER
BERNARD L. BALICER, Acting Director
National Labor Relations Board
Twenty-second Region
970 Broad Street
Newark, New Jersey 07102

Attachment

General Counsel's Exhibit "GC-1(i)".

RESPONDENT UNION'S ANSWER TO COMPLAINT

Respondent, International Longshoremen's Association, AFL-CIO, for its Answer to the Complaint issued by the Acting Regional Director in the consolidated cases herein, alleges as follows:

1. Admits the allegation of Paragraph "5".

2. Denies the allegations in Paragraph "6" except admits that Thomas W. Gleason, Sr. has been and is International President of Respondent Union.

3. Denies the allegations in Paragraphs "33", "34", "35", "36", "37", "38", "39" and "40 (a)" and "(b)".

4. Denies knowledge or information sufficient to form a belief as to the allegations contained in Paragraph "1", except admits service of copies of the charges in both consolidated cases upon Respondent Union, as alleged.

5. Denies knowledge or information sufficient to form a belief as to allegations of Paragraphs "2", "24", "25" and "26".

AFFIRMATIVE DEFENSES

FOR A FIRST DEFENSE

6. Respondent Union alleges that the Rules on Containers and Rules promulgated for their enforcement, of which excerpts therefrom are set forth within Paragraphs "27" and "29", respectively, of the Complaint, are valid work preservation rules. Accordingly, the forenoted contract provisions, particularly in their entire text and proper context, are not in violation either of Section 8(b)(4)(ii)(B) or of Section 8(e) of the Act.

General Counsel's Exhibit "GC-1(i)".

FOR A SECOND DEFENSE

7. The Acting Regional Director is estopped from chalienging the legality of the Rules on Containers and their implementation in view of his predecessor's well-founded administrative determinations in Cases Nos. 22-CC-389 and 22-CE-12 that the identical contract clauses involved herein were ". . . intended to preserve unit work . . ." traditionally performed by certain employees represented by the Respondent Union. The validity of these same Rules was further sustained in *Intercontinental Container Transport Corp.* v. *New York Shipping Association, Inc. and International Longshoremen's Association,* 426 F.2d 884 (2d Cir., 1970). Copies of the above-cited adjudications are appended hereto.

FOR A THIRD DEFENSE

8. No primary dispute has existed or presently exists between Respondent Union and the Charging Party. Rather, the underlying primary dispute is between the parties who promulgated the Rules and their implementing provisions set forth, in part, at Paragraphs "27" and "29" of the Complaint.

FOR A FOURTH DEFENSE

9. All of the events alleged herein as violations of the Act occurred more than six months preceding the filing of the underlying charges. Accordingly, issuance of the Complaint is barred by Section 10(b) of the Act.

FOR A FIFTH DEFENSE

10. The Rules on Containers as set forth, in part, at Paragraph "27" of the Complaint and similar work preser-

vation provisions contained in prior collective bargaining agreements have been in effect in excess of fifteen (15) years during which extensive period of time the Board, by its representatives, and the Charging Party were fully aware of them. Consequently, the Acting Regional Director and the Charging Party are estopped from challenging their legality or enforcement by reason of laches.

FOR A SIXTH DEFENSE

11. Upon information and belief, the Charging Party and its agents conspired with agents of various shipping companies subject to the agreements containing the Rules on Containers and impregnating provisions cited, in part, at Paragraphs "27" and "29" of the Complaint, and with others in order to subvert, undermine and evade the said Rules so as to vitiate the written, express intent of the parties thereto ". . . to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts at deepsea piers or terminals."

WHEREFORE, the Complaint should be dismissed.

GLEASON & MILLER

By: /s/ THOMAS W. GLEASON
A member of the firm
1450 Broadway
New York, N.Y. 10018

Attorneys for Respondent, International Longshoremen's Association, AFL-CIO

General Counsel's Exhibit "GC-1(j)".

ANSWER OF RESPONDENT, NEW YORK SHIPPING ASSOCIATION, INC.

Respondent, New York Shipping Association, Inc. (NYSA) for its answer to the Complaint herein respectfully alleges, as follows:

1. Denies knowledge or information sufficient to form a belief as to the allegations contained in paragraphs 2, 4, and 18 of the Complaint.

2. Denies the allegations contained in paragraphs 3, 24, 25, and 26 of the Complaint, except admits that when Consolidated Express, Inc. ("Con Ex") commenced operations in New York in 1965 or 1966 it occupied premises formerly occupied by Valencia Baxt and further avers that until August 1973 Con Ex was not the direct employer of any employees who were actually engaged in the consolidation of cargo for sea shipment.

3. Denies the allegations contained in paragraph 13 of the Complaint, except admits that, on or about November 16, 1971, Council of North Atlantic Shipping Associations (CONASA) was recognized by the respondent International Longshoremen's Association, AFL-CIO (ILA) as the collective bargaining representative of all North Atlantic port employer associations (including NYSA) for the purpose of negotiating the provisions of the Master Contract between ILA and CONASA. Said Master Contract covers the seven basic terms and conditions of employment including "Containerization", and including the contract provisions set forth in paragraphs 27 and 29 of the Complaint. CONASA is not a named respondent in the Complaint.

4. Denies the allegations contained in paragraph 27 of the Complaint, except admits that, on or about February 14, 1972, ILA and CONASA agreed to a Memorandum of

General Counsel's Exhibit "GC-1(j)".

Agreement, containing, *inter alia*, the provisions therein set forth, which provisions in their entirety were taken from the agreement between NYSA and ILA for the period October 1, 1968 to September 30, 1971. These provisions were negotiated with the assistance of a Mediator appointed by the President of the United States and were found to be valid work preservation rules by the Court of Appeals for the Second Circuit and by the National Labor Relations Board. The purpose of the Rules is expressly set forth in the Memorandum of Agreement although omitted in the Complaint's quoted portion thereof. The Rules are designed "to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts at deep-sea piers and terminals."

5. Denies the allegations contained in paragraph 29 of the Complaint except admits that, on or about January 29, 1973, CONASA and ILA issued an interpretation containing certain of the provisions set forth in said paragraph.

6. Denies the allegations contained in paragraphs 31 and 33 through 40 of the Complaint.

FIRST DEFENSE

7. The Complaint fails to state a claim against NYSA upon which relief can be granted since the contract provisions complained of are valid work preservation rules not violative of the Act.

SECOND DEFENSE

8. The contract rules require the stripping of consolidated containers at the pier. These rules have been in effect for more than 15 years and containers of Con Ex have been subject to the rules commencing in 1966. The right of action set forth in the Complaint accrued more than six months prior to the filing of the charge in this proceeding and is time barred under Section 10(b) of the Act.

General Counsel's Exhibit "GC-1(j)".

THIRD DEFENSE

9. No primary dispute has or ever existed between ILA and the charging party. The underlying primary dispute in this proceeding is between CONASA, NYSA and their respective members, on the one hand, and ILA and its members, on the other hand.

FOURTH DEFENSE

10. The contract provisions complained of constitutes a contract negotiated between CONASA and ILA. CONASA, not named in the Complaint, is an indispensable party to this proceeding.

FIFTH DEFENSE

11. The Regional Director, as agent for General Counsel, is collaterally estopped from seeking to enjoin the Rules on Containers in the light of the decision in the case of *International Longshoremen's Association (Intercontinental Container Transport Corp.)* Cases Nos. 22-CE-12, 22-CC-389, in which General Counsel determined that the very same containerization clauses were valid work preservation rules.

WHEREFORE, respondent NYSA requests that the Complaint be dismissed.

Yours etc.

LORENZ, FINN, GIARDINO & LAMBOS

By: /s/ C. P. LAMBOS
C. P. Lambos, a Member of the Firm
Attorneys for NYSA
21 West Street
New York, New York 10006
(212—943-2470)

General Counsel's Exhibit "GC-2(e)".

ORDER CONSOLIDATING CASES, COMPLAINT AND NOTICE OF HEARING

It having been charged in Case No. 22-CE-20 by Twin Express, Inc., of 151-157 Charles Street, New York, New York, herein called Twin, that International Longshoremen's Association, AFL-CIO, of 17 Battery Place, New York, New York, herein called Respondent Union, and that New York Shipping Association, Inc., of 80 Broad Street, New York, New York, herein called Respondent NYSA, and in Case No. 22-CC-554, by Twin that Respondent Union have engaged in and are now engaging in certain unfair labor practices affecting commerce, as set forth and defined in the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq., herein called the Act, the General Counsel of the National Labor Relations Board, on behalf of the National Labor Relations Board, herein called the Board, by the undersigned Regional Director for the Twenty-second Region, having duly considered the matter and deeming it necessary in order to effectuate the purpose of the Act, and to avoid unnecessary costs and delay,

IT IS HEREBY ORDERED, pursuant to Section 102.33 of the Board's Rules and Regulations, Series 8, as amended, that these cases be, and they hereby are, consolidated.

Said cases having been consolidated, the General Counsel of the Board, on behalf of the Board, by the undersigned Regional Director, pursuant to Section 10(b) of the Act and Section 102.15 of the Board's Rules and Regulations, hereby issues this Order Consolidating Cases, Complaint and Notice of Hearing, and alleges as follows:

1. (a) The charge in Case No. 22-CC-554 was filed on November 2, 1973.

General Counsel's Exhibit "GC-2(e)".

(b) Copies of the charge in Case No. 22-CC-554 were served by registered mail upon Respondent Union on November 2, 1973, and upon Respondent NYSA on November 5, 1973.

(c) The charge in Case No. 22-CE-20 was filed on November 2, 1973.

(d) Copies of said charge were served by registered mail upon Respondent Union on November 2, 1973 and upon Respondent NYSA on December 14, 1973.

2. Twin is, and has been at all times material herein, a corporation duly organized under, and existing by virtue of, the laws of the Commonwealth of Puerto Rico.

3. At all times material herein from January 1967, to date, Twin has maintained its principal office and place of business at 151-157 Charles Street, New York, New York, herein called the New York facility, and various other facilities, including places of business in Miami, Florida, Jacksonville, Florida, Charleston, South Carolina and Puerto Rico, and is now and at all times material herein has been continuously, engaged at said facilities in the business of consolidating, containerizing and forwarding cargoes for sea shipment and in removing incoming cargoes from their containers.

4. In the course and conduct of Twin's business operations during the preceding twelve months, said operations being representative of its operations at all times material herein, Twin provided and performed cargo consolidating, containerizing, freight forwarding and break-bulk services valued in excess of $50,000, of which services valued in excess of $50,000 were provided and performed within States and territories of the United States other than the

General Counsel's Exhibit "GC-2(e)".

State of New York wherein the principal offices of Twin are located.

5. Respondent Union is, and has been at all times material herein, a labor organization within the meaning of Section 2(5) of the Act.

6. At all times material herein Thomas W. Gleason, Sr., has been International President of Respondent Union and an agent of Respondent Union within the meaning of Section 2(13) of the Act, acting in its behalf.

7. Respondent NYSA at all times material herein has maintained its principal office at 80 Broad Street, New York, New York, and is and has been, an incorporated association of employers whose members are engaged in various operations involved in the shipment of cargo freight and transportation of passengers in and out of the port of New York, including Port Newark.

8. Sea-Land Service, Inc. (herein called Sea-Land), and Transamerican Trailer Transport, Inc. (herein called TTT), are, and at all times material herein, have been employer-members of Respondent NYSA.

9. For many years, the employer-members of Respondent NYSA, including the employer-members named above in paragraph 8, have delegated to Respondent NYSA the authority to conduct collective bargaining negotiations on their behalf and the authority to enter into collective bargaining agreements covering their respective employees.

10. For many years, Respondent NYSA, pursuant to the authority delegated to it as described above in paragraph 9, has negotiated collective bragaining agreements

General Counsel's Exhibit "GC-2(e)".

covering employees of its employer-members with Respondent Union.

11. Respondent NYSA is, and at all times material herein has been, an employer within the meaning of Section 2(2) of the Act.

12. In the course and conduct of the business operations of the employer-members of Respondent NYSA during the preceding twelve months, said operations being representative of their operations at all times material herein, the employer-members of Respondent NYSA carried general cargo in interstate and foreign commerce valued in excess of $1,000,000 out of the various piers of the port of New York destined directly to foreign countries and to States of the United States other than the States of New York and New Jersey, for which services during the above time, they derived revenues in excess of $1,000,000.

13. Council of North Atlantic Shipping Associations (herein called CONASA) is, and at all times material herein has been, an association of employer shipping associations whose members are engaged in the business of conducting collective bargaining negotiations on behalf of their respective employer-members and entering into collective bargaining agreements covering the employees of their employer-members.

14. Respondent NYSA is, and at all times material herein has been, an employer association-member of CONASA.

15. Since in or about 1970, the employer association-members of CONASA including Respondent NYSA, have delegated to CONASA the authority to conduct collective

General Counsel's Exhibit "GC-2(e)".

bargaining negotiations on their behalf and the authority to enter into collective bargaining agreements and related accords covering employees of their respective employer-members.

16. For many years, CONASA, pursuant to the authority delegated to it as described above in paragraph 15, has negotiated collective bargaining agreements covering employees of its employer association members with Respondent Union.

17. CONASA is, and at all times material herein has been, an employer within the meaning of Section 2(2) of the Act.

18. Twin is, and at all times material herein, has been an employer engaged in commmerce within the meaning of Section 2(6) and (7) of the Act.

19. Respondent NYSA is, and at all times material herein, has been an employer engaged in commerce within the meaning of Section 2(6) and (7) of the Act.

20. Sea-Land is, and at all times material herein, has been a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

21. TTT is, and at all times material herein, has been a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

22. CONASA is, and at all times material herein, has been a person engaged in commerce or in an industry affecting commerce within the meaning of Section 8(b)(4) of the Act.

General Counsel's Exhibit "GC-2(e)".

23. On or about February 14, 1972, Respondent Union and CONASA executed a Memorandum of Understanding, effective from November 14, 1971, to September 30, 1974, herein called the Memorandum, relating to terms and conditions of employment of employees of the employer-members of the various shipping associations that comprise the membership of CONASA, including Respondent NYSA, which Memorandum contains the following provisions:

"Rules on Containers

* * *

"Rule 1. Definitions and rule as to containers covered

Stuffing—Means the Act of placing cargo into a container

Stripping—Means the act of removing cargo from a container

Loading—Means the act of placing containers aboard a vessel.

Discharging—Means the act of removing containers from a vessel.

"These provisions relate solely to containers meeting each and all of the following criteria:

"(a) containers owned or leased by Employer-Members (including containers on wheels) which contain LTL (less than carload) loads or consolidated full container loads.

"(b) such containers which come from or go to any person (including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo.

General Counsel's Exhibit "GC-2(e)".

"(c) such containers which come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

"Rule 2. Rule of stripping and stuffing applied to such containers.

A container which comes within each and all of the criteria set forth in Rule 1 above shall be stuffed and stripped by ILA longshore labor. Such ILA labor shall be paid and employed at longshore rates under the terms and conditions of the General Cargo Agreement. Such stuffing and stripping shall be performed on a waterfront facility, pier or dock. No container of cargo shall be stuffed or stripped by ILA longshore labor more than once. Notwithstanding the above provisions, LTL loads or consolidated container loads of mail, of household goods with no other type of cargo in the container, and of personal effects of military personnel shall be exempt from the rule of stripping and stuffing.

"Rule 3. Rules on No Avoidance of Evasion

* * *

"(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. *If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay to the joint Container Royalty Fund, liquidated damages of $1,000 per container which*

General Counsel's Exhibit "GC-2(e)".

should have been stuffed or stripped. * * * If any carrier does not pay liquidated damages within 30 days after exhausting its right to appeal * * *, the ILA shall have the right to stop working such carrier's containers until such damages are paid." (Emphasis supplied.)

24. At all times material herein from on or about February 14, 1972, to date, Respondent Union, Respondent NYSA and CONASA have maintained in effect and enforced the said Rules on Containers described above in paragraph 23.

25. On or about January 29, 1973, CONASA and Respondent Union executed an agreement which included the following provisions:

"Section II The following standards have been promulgated. The CONASA-ILA Container Committed under resolution dated January 29, 1973, for the fair and non-discriminatory enforcement of the rules set forth above in Section 1 herein.

"I. (a) All outbound (export) consolidated or LTL container loads (Rule 1 containers) shall be stripped from the container at the pier by deepsea ILA labor and cargo shall be stuffed into a different container for loading aboard ship.

"I. (b) All inbound (import) consolidated or LTL cargo (Rule I containers) for distribution shall be stripped from the container and the cargo placed on the pier where it will be delivered and picked up by each consignee.

"2. No carrier or direct employer shall supply its containers to any facilities operated in violation of the

General Counsel's Exhibit "GC-2(e)".

rules on containers including but not limited to a consolidator who stuffs containers of outgoing cargo of a distributor who strips containers of inbound cargo and including a forwarder who is either a consolidator or a distributor. No carrier or direct employer shall operate a facility in violation of the rule on containers which specifically require that all containers be stuffed or stripped at a waterfront facility (pier or dock) where vessels normally dock.

"A list shall be maintained of consolidation and distribution stations which are operated in violation of the rules for the information of all carriers and direct employers. Any container consolidated at or distributed from such facilities shall be deemed a violation and subject to the rules on stuffing and stripping."

26. At all times material herein from on or about January 29, 1973, to date, Respondent Union, Respondent NYSA and CONASA have maintained in effect and enforced the provisions set forth above in paragraph 25.

27. Prior to on or about February 1, 1973, Twin, in the normal conduct of its business, loaded, consolidated, forwarded and unloaded freight in containers, owned and furnished by employer-members of Respondent NYSA, including Sea-Land and TTT, which freight had been transported between the port of New York, including Port Newark, and Puerto Rico, without further unloading and loading of the containers by employees employed by members of Respondent NYSA or by employee members of Respondent Union.

28. At no time material herein has Twin been a member of Respondent NYSA or a signatory to the various agreements between Respondent Union and Respondent

NYSA or CONASA described above in paragraphs 23 through 26.

29. Since on or about February 1, 1973, and at all times material herein, Respondent Union has been engaged in a primary labor dispute with Twin related to the work performed by Twin described above in paragraph 27.

30. At no time material herein has Respondent Union had any labor dispute with Respondent NYSA or its members, Sea-Land, and TTT.

31. Since on or about February 1, 1973, and at various times thereafter, Respondent Union in furtherance of its dispute with Twin, has threatened, restrained and coerced, and is now threatening, restraining and coercing Respondent NYSA, Sea-Land, TTT and other persons engaged in commerce or in an industry affecting commerce by threatening to assess and by assessing liquidated damages in the amount of $1,000 per container, as provided in the agreements described and referred to above in paragraphs 23 through 26, if they continue to furnish containers to, handle, transport the freight of, or do any other business with Twin.

32. At all times material herein, Respondent Union has engaged in and is now engaging in the acts and conduct described and referred to above in paragraph 31 with an object thereof being to force and require Respondent NYSA and its employer-members, Sea-Land, TTT and other persons engaged in commerce or in an industry affecting commerce to cease doing business with Twin.

33. Pursuant to the contract clauses described and referred to above in paragraph 23 through 26 and, further, in response to the conduct of Respondent Union set forth

General Counsel's Exhibit "GC-2(e)".

above in paragraphs 31 and 32, Respondent NYSA and its employer-members, Sea-Land, and TTT have ceased or refrained, and have agreed to cease or refrain, from furnishing containers to, handling, transporting the freight of, or otherwise dealing in the products of Twin, or from doing business with Twin.

34. By the acts described above in paragraphs 31 through 34 and by each of said acts, for an object set forth above in paragraph 32, occurring in connection with the contract clauses set forth in paragraphs 23 through 26, Respondent Union did threaten, coerce and restrain, and is now threatening, coercing and restraining, persons engaged in commerce and in industries affecting commerce, and Respondent Union thereby did engage in, and is now engaging in, unfair labor practices within the meaning of Section 8(b)(4)(ii)(B) of the Act.

35. By maintaining, giving effect to and enforcing the contracts and agreements described or referred to above in paragraphs 23 through 26 and by the conduct described above in paragraphs 31 and 33, respectively, with respect to the business operations of Twin as described above in paragraph 3, and by each of said acts, Respondent Union and Respondent NYSA thereby did engage in, and are now engaging in, unfair labor practices within the meaning of Section 8(e) of the Act.

36. (a) The activities of Respondent Union described above in paragraphs 31, 32 and 34, in the context of the events described above in paragraphs 23 through 30, occurring in connection with the operations of Twin described above in paragraphs 2 through 4 and 18, have a close, intimate and substantial relation to trade, traffic and commerce among the several States, and tend to lead to labor disputes burdening and obstructing commerce and the free

General Counsel's Exhibit "GC-2(e)".

flow of commerce, and constitute unfair labor practices affecting commerce within the meaning of Section 8(b)(4)(ii)(B), and Section 2(6) and (7) of the Act.

(b) The respective activities of Respondent Union and Respondent NYSA described above in paragraphs 23 through 26, 31, 33 and 35, occurring in connection with the operations of Twin described above in paragraphs 2 through 4, and 18, have a close, intimate and substantial relation to trade, traffic and commerce among the several States and tend to lead to labor disputes burdening and obstructing commerce and the free flow of commerce, and constitute unfair labor practices affecting commerce within the meaning of Section 8(e) and Section 2(6) and (7) of the Act.

PLEASE TAKE NOTICE that on the 11th day of February, 1974, at 11 a.m., in Room 1600, Federal Building, 970 Broad Street, Newark, New Jersey 07102, a hearing will be conducted before a duly designated Administrative Law Judge of the Board on the allegations set forth in the above Complaint, at which time and place you will have the right to appear in person or otherwise and give testimony. Form NLRB-4668, Summary of Standard Procedures in Formal Hearings Held Before the National Labor Relations Board in Unfair Labor Practice Cases, is attached.

You are further notified that, pursuant to Section 102.20 and Section 102.21 of the Board's Rules and Regulations, each Respondent shall file with the undersigned Regional Director, acting in this matter as agent of the Board, an original and four (4) copies of an Answer to said Complaint within ten (10) days from service thereof, and that, unless it does so, all of the allegations contained in the Complaint shall be deemed to be admitted to be true and may be so found by the Board. Immediately upon the

General Counsel's Exhibit "GC-2(e)".

filing of Answer, Respondents shall serve a copy thereof on each of the other parties.

WHEREFORE, the General Counsel of the Board, on behalf of the Board, by the Regional Director for the Twenty-second Region, on this 3rd day of January, 1974, issues this Order Consolidating Cases, Complaint and Notice of Hearing against INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, and NEW YORK SHIPPING ASSOCIATION, INC., Respondents herein.

/s/ Arthur Eisenberg
ARTHUR EISENBERG, Regional Director
National Labor Relations Board
Twenty-second Region
970 Broad Street
Newark, New Jersey 07102

Attachment

General Counsel's Exhibit "GC-2(f)".

ANSWER OF RESPONDENT
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION,
AFL-CIO

Respondent, International Longshoremen's Association, AFL-CIO, for its Answer to the Complaint in the above-captioned consolidated cases, respectfully alleges as follows:

1. Denies the allegations contained in Paragraphs 27 and 29 through 36 (b) of the Complaint.

2. Denies knowledge or information sufficient to form a belief as to the allegations contained in Sub-paragraphs 1 (a) and 1 (c), and Paragraphs 2, 3, 4, and 18 of the Complaint.

3. Denies knowledge or information sufficient to form a belief as to the allegations contained in Sub-paragraphs 1(b) 1 (d), except admits service of copies of the charges in both consolidated cases upon Respondent Union, as alleged.

4. Admits the allegations set forth in Paragraphs 23 and 24 of the Complaint to the extent only that the portions of the Rules on Containers as set forth therein consist of excerpts from said Rules as contained in their entirety in the memorandum of agreement between Respondent Union and CONASA, for the stated purpose therein "to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts at deepsea piers and terminals."

The following affirmative defenses are asserted by Respondent Union:

General Counsel's Exhibit "GC-2(f)".

FIRST DEFENSE

The Rules on Containers and Rules promulgated for this enforcement as set forth in paragraphs 23 and 25, respectively, of the Complaint are valid work preservation rules and have so been found in *International Longshoremen's Association (Intercontinental Container Transport Corp.)* Cases No. 22-CE-12, 22-CC-389 by the Board and in *Intercontinental Container Transport Corp., (New York Shipping Association, Inc. and ILA),* 426 F.2d 884 (2nd Cir., 1970).

Accordingly said rules are not in violation of any of the provisions of the National Labor Relations Act, as amended, as set forth in the Complaint which, therefore, fails to state a claim upon which relief can be granted.

SECOND DEFENSE

The only dispute involved in this proceeding is a primary dispute between Respondent Union and Respondent NYSA and its members. No dispute has existed nor does one exist between Respondent Union and the Charging Party.

THIRD DEFENSE

Inasmuch as the allegations set forth at Paragraphs 29 through 35 of the Complaint matured for the purposes of the filing of charges and the issuance of complaint(s) thereon, more than 6 months preceding the filing of said charges, they are therefore barred by the proviso of Section 10(b) of the Act.

General Counsel's Exhibit "GC-2(f)".

FOURTH DEFENSE

The Rules on Containers as set forth in part in Paragraph 23 of the Complaint and similar work preservation provisions contained both in prior collective bargaining agreements between Respondent Union and Respondent NYSA and its members as well as the practices and customs of those parties and in the industry, have been in effect for in excess of fifteen years. Said rules were well known to the General Counsel and certainly to the Charging Party since the inception of its business operations in and around the vicinity of the Port of New York. Accordingly, General Counsel, and the Charging Party through General Counsel's representative, are barred by laches in seeking to attack said Rules and are estopped from challenging their validity or enforcement in this proceeding.

FIFTH DEFENSE

Upon information and belief, Charging Party and its agents conspired with agents of the various shipping companies subject to the collective bargaining agreement between Respondent Union and CONASA and NYSA, including but not limited to the Rules on Containers, in an attempt to render such Rules ineffective to protect the work jurisdiction of longshore employees.

SIXTH DEFENSE

More than 25,000 longshoremen and pensioners, together with their families, are affected by the ability of Respondent Union to carry out and enforce the provisions of the pertinent collective bargaining agreement. Involved in such enforcement are the funds necessary to permit the

General Counsel's Exhibit "GC-2(f)".

various fringe benefit funds which provide pensions, welfare, medical and clinical services, guaranteed annual income and other benefits, to continue to function and to provide these benefits. Any impairment of the Rules on Containers will necessarily impair the functions of the various fringe benefit funds and the benefits being provided, as aforesaid.

WHEREFORE, Respondent Union respectfully requests that the Complaint be dismissed in its entirety.

GLEASON & MILLER

By: /s/ THOMAS W. GLEASON
Thomas W. Gleason
1450 Broadway
New York, N. Y. 10018
Attorneys for Respondent,
International Longshoremen's
Association, AFL-CIO

Dated: New York, N. Y.
January 11, 1974

General Counsel's Exhibit "GC-2(h)".

ANSWER OF RESPONDENT, NEW YORK SHIPPING ASSOCIATION, INC.

Respondent, New York Shipping Association, Inc. (NYSA) for its answer to the Complaint herein respectfully alleges, as follows:

1. Denies knowledge or information sufficient to form a belief as to the allegations contained in paragraphs 2, 3, 4, and 18 of the Complaint.

2. Denies the allegations contained in paragraphs 27, 29, 31, 32, 33, 34, 35, 36(a) and 36(b).

3. Denies the allegations contained in paragraph 13 of the Complaint, except admits that, on or about November 16, 1971, Council of North Atlantic Shipping Associations (CONASA) was recognized by the respondent International Longshoremen's Association, AFL-CIO (ILA) as the collective bargaining representative of all North Atlantic port employer associations (including NYSA) for the purpose of negotiating the provisions of the Master Contract between ILA and CONASA. Said Master Contract covers the seven basic terms and conditions of employment including "Containerization", and including the contract provisions set forth in paragraphs 23 and 25 of the Complaint. CONASA is not a named respondent in the Complaint.

4. Denies the allegations contained in paragraph 23 of the Complaint, except admits that, on or about February 14, 1972, ILA and CONASA agreed to a Memorandum of Agreement, containing, *inter alia,* the provisions therein set forth, which provisions in their entirety were

General Counsel's Exhibit "GC-2(h)".

taken from the agreement between NYSA and ILA for the period October 1, 1968 to September 30, 1971. These provisions were negotiated with the assistance of a Mediator appointed by the President of the United States and were found to be valid work preservation rules by the Court of Appeals for the Second Circuit and by the National Labor Relations Board. The purpose of the Rules is expressly set forth in the Memorandum of Agreement although omitted in the Complaint's quoted portion thereof. The Rules are designed "to protect and preserve the work jurisdiction of longshoremen and all the other ILA crafts at deepsea piers and terminals."

5. Denies the allegations contained in paragraph 25 of the Complaint except admits that, on or about January 29, 1973, CONASA and ILA issued an interpretation containing certain of the provisions set forth in said paragraph.

FIRST DEFENSE

6. The Complaint fails to state a claim against NYSA upon which relief can be granted since the contract provisions complained of are valid work preservation rules not violative of the Act.

SECOND DEFENSE

7. The contract rules require the stripping of consolidated containers at the pier. These rules have been in effect for more than 15 years and containers of Twin Express have always been subject to the rules. The right of action set forth in the Complaint accrued more than six months prior to the filing of the charge in this proceeding and is time barred under Section 10(b) of the Act.

General Counsel's Exhibit "GC-2(h)".

THIRD DEFENSE

8. No primary dispute has or ever existed between ILA and the charging party. The underlying primary dispute in this proceeding is between CONASA, NYSA and their respective members, on the one hand, and ILA and its members, on the other hand.

FOURTH DEFENSE

9. The contract provisions complained of constitutes a contract negotiated between CONASA and ILA. CONASA, not named in the Complaint, is an indispensable party to this proceeding.

FIFTH DEFENSE

10. The Regional Director, as agent for General Counsel, is collaterally estopped from seeking to enjoin the Rules on Containers in the light of the decision in the case of *International Longshoremen's Association* (*Intercontinental Container Transport Corp.*) Cases Nos. 22-CE-12, 22-CC-389, in which General Counsel determined that the very same containerization clauses were valid work preservation rules.

WHEREFORE, respondent NYSA requests that the Complaint be dismissed.

Yours etc.

LORENZ, FINN, GIARDINO & LAMBOS

By /s/ C. P. LAMBOS
C.P. Lambos, a Member of the Firm
Attorneys for NYSA
21 West Street
New York, New York 10006
(212-943-2470)

Joint Exhibit 1.

STIPULATION

IT IS HEREBY STIPULATED AND AGREED by and between counsel for the respective parties in the above-captioned consolidated cases, as follows:

1. That the said consolidated cases be, and the same hereby are, submitted to Administrative Law Judge Arnold Ordman of the National Labor Relations Board for decision and recommendations to the Board as to findings of fact, conclusions of law and order, upon a record consisting of the charges, the consolidated complaints, the answers, orders relating to hearing dates, this Stipulation, any evidence, motions and rulings introduced pursuant to paragraph 2(f), *infra,* of this Stipulation and the petition, answers and the transcript of testimony and all exhibits received in evidence in the two respective injunction proceedings in the United States District Court, District of New Jersey, in *Balicer, et al.* v. *International Longshoremen's Association, AFL-CIO; New York Shipping Association, Inc.,* Civil No. 1155-73, reported at 364 F. Supp. 205, 84 LRRM 2280 (relating to Case Nos. 22-CC-541 and 22-CE-19, which were instituted by Consolidated Express, Inc. (hereinafter called the CEI cases), and in *Balicer et al.* v. *International Longshoremen's Association, AFL-CIO; New York Shipping Association, Inc.,* Civil No. 1811-73, decision pending (brought pursuant to charges filed by Twin Express, Inc. in Case Nos. 22-CC-554 and 22-CE-20, hereinafter referred to as the TEI cases), which were brought pursuant to Section 10(1) of the National Labor Relations Act, as amended.

2. The record herein shall be as follows:

(a) General Counsel's Exhibit 1(a) through (s), relating to the CEI cases, consisting of the documents enu-

merated in General Counsel's Exhibit 1(s), the Index of Formal Exhibits, which includes the charges, consolidated complaint, answers, orders relating to scheduling and status of the National Labor Relations Board hearing, and proofs of service of same.

(b) General Counsel's Exhibit 2(a) through (m) relating to the TEI cases, consisting of the documents enumerated in General Counsel's Exhibit 2(m), the Index of Formal Exhibits, which includes the charges, consolidated complaint, answers, orders relating to the consolidation of the CEI and TEI cases and to the scheduling and status of the National Labor Relations Board hearing, and proofs of service of same.

(c)This Stipulation, which is designated as Joint Exhibit 1.

(d) Joint Exhibit 2 consisting of the petition, answers, the 8 volumes of the transcript of testimony, totalling 1219 pages in the CEI injunction proceeding and all the exhibits received into evidence therein. Such exhibits, as marked and numbered in that record shall consist of Petitioner's (General Counsel's) Exhibits 1, 2, 3(a) and (b), 4, 6 through 16, 18(a) through (d) and 22; Respondents' Exhibits 1 through 13, 15 through 18, 19(a) and 20 and Charging Party's Exhibits 1 through 4, 7 and 9.

(e) Joint Exhibit 3 consisting of the petition, answers, the 3 volumes of the transcript of testimony, totalling 275 pages in the TEI injunction proceeding and all the exhibits received into evidence therein. Such exhibits, as marked and numbered in that record shall consist of Petitioner's (General Counsel's) Exhibits 1 through 13; Respondents' Exhibits 1, 2, 3, 4(a) through (g), 5 through 10, 12, 17, 18, 19(a) and 20 through 46 and Respondent Union's Exhibits 1 and 1(a).

(f) That in connection with the CEI case, Intervenor Local 807, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (hereinafter called the Intervenor), may submit affidavits in presentation of its evidence to the Administrative Law Judge with proof of service upon counsel for the respective parties to this Stipulation which shall be filed on or before April 8, 1974. Respondents may submit motions or objections directed to the said affidavits in writing and any answering affidavits to the Administrative Law Judge with proofs of service of same upon counsel for the respective parties to this Stipulation, all of which shall be filed on or before April 22, 1974. The other parties may then file motions or objections directed to the Respondents' affidavits and the Intervenor may submit any reply affidavits with the Administrative Law Judge with proofs of service of same upon counsel herein all of which shall be filed on or before April 29, 1974. Thereafter, the Respondents may file any motions or objections directed to the Intervenor's reply affidavits and any reply affidavits thereto with the Administrative Law Judge, with proofs of service upon counsel herein, all of which shall be filed on or before May 6, 1974. The other parties shall have opportunity to file motions or objections directed to the aforesaid affidavits with the Administrative Law Judge with proofs of service upon counsel herein all of which shall be filed on or before May 13, 1974.

3. That the record as described hereinabove as General Counsel's Exhibits 1(a) through (s) in the CEI case; as General Counsel's Exhibits 2(a) through (m) in the TEI case; as Joint Exhibits 1, 2 and 3, and any evidence, motions and rulings introduced pursuant to paragraph 2(f) of this Stipulation shall comprise the entire record of this proceeding before the Board.

Joint Exhibit 1.

4. That counsel for the respective parties shall have until May 20, 1974, to file briefs with the Administrative Law Judge and until May 28, 1974, to file reply briefs thereto.

5. That, with respect to the submission of Joint Exhibits 2 and 3, carbon copies and photocopies of the transcript of testimony and photocopies of all exhibits, in connection therewith may be submitted in evidence and the parties waive objection to the receipt of such copies and exhibits on the ground that they are not the original documents.

6. That this Stipulation supersedes and replaces the previous written stipulation entered into on October 25, 1973, between respective counsel for the parties in the CEI case.

Receipt into evidence of this Stipulation and the documents referred to herein is hereby consented to on the dates shown below.

Counsel for the General Counsel:

By: _____ Date: _____

Robert M. Schwarzbart

_____ Date: _____

Robert A. Goodman

Respondent International Longshoremen's Association, AFL-CIO

By: _____ Date: _____

(Title) _____

Joint Exhibit 1.

Intervenor Truck Drivers Local 807,
International Brotherhood of Teamsters,
Chauffeurs, Warehousemen and Helpers
of America

By: _____ Date: _____

(Title) _____

Respondent New York Shipping Association,
Inc.

By: _____ Date: _____

(Title) _____

Charging Party Consolidated Express, Inc.

By: _____ Date: _____

(Title) _____

Charging Party Twin Express, Inc.

By: _____ Date: _____

(Title) _____

Joint Exhibit 1.

INDEX AND DESCRIPTION OF FORMAL DOCUMENTS

General Counsel's Exhibit No.

1(a) Charge in Case No. 22-CE-19 filed on June 1, 1973.

(b) Affidavit of Service of 1(a), with return receipts attached.

(c) Charge in Case No. 22-CC-541 filed on June 1, 1973.

(d) Affidavit of Service of 1(c), with return receipts attached.

(e) Order Consolidating Cases, Complaint and Notice of Hearing dated August 23, 1973, with Form NLRB-4668 attached.

(f) Affidavit of Service of 1(e), with return receipts attached.

(g) Order Postponing Hearing and Extending Time to File Answer dated September 6, 1973.

(h) Affidavit of Service of 1(g), with return receipts attached.

(i) Answer of Respondent Union to Complaint, received September 13, 1973.

(j) Answer of Respondent, New York Shipping Association, Inc., received September 17, 1973.

(k) Order Postponing Hearing, dated September 21, 1973.

(l) Affidavit of Service of 1(k).

(m) Order Postponing Hearing Indefinitely, dated October 5, 1973.

(n) Affidavit of Service of 1(m) with return receipts attached.

Joint Exhibit 1.

(o) Teletype from Arnold Ordman, Administrative Law Judge dated November 19, 1973.

(p) Teletype from Arnold Ordman, Administrative Law Judge dated December 3, 1973.

(q) Teletype from Eugene G. Goslee, Chief Judge, Div. Judges, dated December 28, 1973.

(r) Teletype from Eugene G. Goslee, Chief Judge, Div. Judges, dated January 2, 1974.

(s) Index and description of formal documents.

2(a) Charge in Case No. 22-CC-554, filed on November 2, 1973.

(b) Affidavit of Service of 1(a), with registered return receipt card attached.

(c) Charge in Case No. 22-CE-20, filed on November 2, 1973.

(d) Affidavit of Service of 1(c), with registered return receipt cards attached.

(e) Order Consolidating Cases, Complaint and Notice of Hearing, with Form NLRB-4668 attached, dated January 3, 1974.

(f) Answer of Respondent International Longshoremen's Association, AFL-CIO, received January 16, 1974.

(g) Teletype from Arnold Ordman, Administrative Law Judge dated January 22, 1974, consolidating CEI and TEI cases for hearing and granting motion by Local 807, IBT to intervene in CEI case.

(h) Answer of Respondent, New York Shipping Association, Inc., received February 1, 1974.

Joint Exhibit 1.

(i) Copy of Telegram dated February 1, 1974, from Arnold Ordman, Administrative Law Judge.

(j) Copy of Telegram dated February 21, 1974, from Arnold Ordman, Administrative Law Judge.

(k) Letter dated March 26, 1974, from Robert M. Schwarzbart, Counsel for General Counsel to all parties.

(l) Copy of teletype from Arnold Ordman, Administrative Law Judge, dated April 2, 1974, adjourning *sine die* the April 3, 1974 hearing.

(m) Index and Description of Formal documents.

SUPPLEMENTAL AFFIDAVITS

April 5, 1974 Affidavit of Joseph F. Mangan.

JOSEPH F. MANGAN, being duly sworn, deposes and says:

That I reside at 714 East 40th Street, Brooklyn, New York. I am the President of Truck Drivers Local Union No. 807, International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America, Queens, New York. I have been a member of Local 807 since January 8, 1924. In 1941 I was elected as shop steward for U. S. Trucking Corp. and continuously retained that position until, in 1951, I was elected to the office of Vice President of Local 807. This was my first salaried job with Local 807 although I had been elected to its office of Recording Secretary in 1949. As noted, in June, 1965 I became President and Chief Executive Officer of Local 807.

In 1921 I was employed by U. S. Trucking Corp. as a wagon boy to watch freight on the dock and to help drivers make pick-ups and deliveries within the City of New York. In 1922 I became a horse truck driver for U. S. Trucking Corp. My entire career as a rank and file driver, from 1922 through 1950, was in the employ of U. S. Trucking Corp.

In the early 1920's and thereafter, the trucking performed by import-export truckmen, like U. S. Trucking Corp., included pick-ups and deliveries to and from piers. The freight handled by import-export truckmen would move between the piers, bonded and non-bonded warehouses, railroads, stores and manufacturers. These pick-ups and deliveries would be made by drivers such as myself. Freight was sorted and/or stored at these warehouses.

In the 1920's when a ship arrived in the Port of New York, members of the ILA employed by either steamship companies or stevedoring concerns unloaded cargo from

the ship which then was in break-bulk form. The ILA members would stack the cargo in piles at various sections along the pier. They kept a list of where the various items of freight were supposed to be along the pier. The freight was stacked in the order in which it was unloaded from the ship.

When I would arrive at a pier with my horse truck to pick up freight I would give my pick-up orders to the pier's delivery clerk. The delivery clerk, when my number came up, assigned a checker to me. The checker would direct the truck to a particular location on the pier where the freight was located. I would pull my truck into that location. When U. S. Trucking Corp. loaders were not available to me I would directly employ men who were known as public loaders. U. S. Trucking loaders were full time employees of that corporation and available only to U. S. Trucking drivers. Public loaders, in the 1920's were men available at each of the piers waiting to be hired by any truckmen. At that time, public loaders were paid about three (3¢) cents per hundred weight. The practice was to hire 3 public loaders per truck. Two would hand the cargo up from the ground and the third would be on the truck with me. I would determine the method and positioning of the cargo on my truck. During this period, public loaders, while doing the work described, were not covered or represented by any bargaining agent. Public leaders may, personally, have carried ILA or Teamster cards, but they weren't bargained for as public loaders or covered by any labor contract. Also, there was no requirement that public loaders belong to any labor organization to work at their trade. My father was a public loader from 1915 to the mid-1920's.

In the 1920's the use of public loaders or U. S. Trucking loaders would depend upon the location of the piers from which I was ordered to pick up cargo. U. S. Trucking

loaders would be at Bush docks in Brooklyn; New York docks, Brooklyn; and Hoboken and Jersey City. U. S. Trucking also sent its loaders to the lower east side piers and to those in Staten Island. U. S. Trucking's full-time loaders, during the 1920's, were assigned to these piers because that is where U. S. Trucking did most of its business. They always worked there loading its trucks.

As noted, shortly after arriving at the piers, in the 1920's, a checker would either escort my truck or direct me to the section or sections along the pier where I could pick-up the cargo described on my pick-up orders. Then, as described above, my truck would be loaded. I'd drive the truck, in my case, drawn by one horse, back to the delivery clerk to sign for the merchandise that I'd received. He would then approve my pass so that I could get off the pier. In picking up the cargo, I would often go to more than one section on the pier to complete my truckload. At least half of my cargo I'd pick up on the pier involved less than truck loads and I would have to pick up freight at various sections on the pier on behalf of different consignees to complete my truckload. These less than truckload cargoes were consolidated by me on my truck with the assistance of public loaders, hired by me, or the loaders who were employed full-time by U. S. Trucking. In paying the public loaders, I would sign their loading tickets and they would thereafter collect from U. S. Trucking.

With respect to export goods, in the 1920's, I would report in the morning to U. S. Trucking's Water Street, Manhattan stable and get my horse, bringing it to my truck which was parked at South and Pike Streets. I'd pick up my pick-up and delivery papers at the stable before leaving and hitch my horse to the truck. I would then go to various shippers locations, shown on my papers, and pick up export cargo which I would consolidate into a full truck-

load for transport to a pier or piers. Upon arriving at the pier I would get a pier pass from the security guard, allowing the truck and myself onto the pier. I then went to the receiving clerk and gave him my delivery papers for that pier. I'd wait for a while and then the receiving clerk would assign a checker who would direct me to various locations on the pier, marked by port. I would unload my truck, by port, at these designated locations. My delivery papers would show the port to which the freight on my truck was destined. I would always unload the truck by myself. There was no manpower on the piers for unloading trucks. After making the delivery at a particular port mark I would drive my truck to the next port mark until I'd finished making all my deliveries to that pier. At the time I left a pier, I'd turn back the pier pass that I received.

During the 1920's there were often lines of trucks, filled with export freight waiting to get onto the piers. Waiting drivers, employed by the same truckman, would trade off freight with each other. This enabled the truckmen to make its daily delivery schedules to many piers. The transfer of freight among drivers took place at the employers place of business as well as on pier lines. This cut down on the number of pier lines that each driver would hit. This sorting out process was another form of consolidation practiced by the truckmen.

On unloading my truck at various points on the pier I would stack the freight on the pier, at the designated port mark, to heights of approximately 6 feet. When I was delivering valuable freight packed in small cases, like timepieces, notions, etc., I would personally unload the freight and place it in the crib on the pier. The floor of the crib, which was a permanent partitioned-off area which could be secured by a lock and chain, was marked off with different port marks. I would leave the cargo at the dif-

ferent port marks within the crib. The port marks were labelled with the name of the city to which the goods were being shipped.

A subdivision of the port mark was the chop mark which often showed the shipping consignee. I would place the goods directly on the chop marks. Chop marks, in lesser scale, would also appear in the crib. There was no stacking height practiced in the crib as there wasn't that much cargo to put in it. The volume of cargo stored in the crib would be much less than 0.005% of the overall cargo passing through the pier.

In 1926, I began to drive motorized trucks instead of the horse-drawn variety, and starting in 1933, I increased pick-ups and deliveries to and from the piers to almost all of my time on a six day work week. Prior to 1933, I spent more of my time doing city driving and about 20% of my time on the piers.

During the 1930's, the same practices and customs continued in the manner described above for the 1920's. After becoming a motor vehicle driver, I did have occasion to pick up loads of miscellaneous freight at various packing houses (such as U. S. Packing) for delivery to the piers. These loads consisted of miscellaneous merchandise which was consolidated into a single lot at the packing house for shipment on a single bill of lading. Such lots would often be consigned to another packing house or other receiver at a destination port who would break down and distribute the lot to the ultimate recipient. Some of these packing houses (which did not employ ILA labor) frequently placed these consolidated loads into boxes for shipment. These boxes were placed on board ship without any rehandling or "stripping" by ILA longshoremen.

During the 1940's, these same customs and practices described above continued. The only difference was that the use of loaders directly employed by trucking companies

was discontinued. Truckmen continued, however, to hire, pay and direct the public loaders. The public loaders were paid in accordance with rates establishesd by the New York City Truck Loading Authority. The unloading of trucks of export cargo on the pier continued to be the sole responsibility of the truckman.

In 1951, following my election to the office of Vice President of Local 807, one of the jobs which I serviced was Hasman & Baxt. It was located at Coenties Slip and later at South Street in Manhattan.

In 1953, as a result of the waterfront investigation, the Waterfront Commission was created and public loaders were outlawed. Thereafter, the loading of imported goods onto trucks, on the piers, was assigned to employees of stevedoring or steamship companies, together with and under the responsibility and direction of the truck drivers. The unloading of trucks with export freight continued to be performed exclusively by the truckmen through their drivers and helpers.

In February of 1958, the ILA entered into a memorandum of settlement with the New York Shipping Association purporting to give the ILA jurisdiction over the loading and unloading of waterborne freight on to and off of trucks at the pier.

Shortly thereafter, a tariff amendment was filed at the Federal Maritime Board to cover the costs of such loading and unloading. On April 17, 1958, and continuously through April 24, 1958, Local 807 picketed all the piers in the Port of New York in protest of this attempt by the ILA to acquire traditional Teamster work. The picketing was enjoined in the U. S. District Court of the Southern District of New York by Judge Sugarman.

Following the issuance of the injunction on April 24, 1958 and in response to the ILA's attempt to acquire

traditional Teamster work, Local 807 truckman and Local 807 claimed the loading and unloading of waterborne freight onto and off trucks at the piers as work traditionally performed by Teamsters. Teamsters were sent to the piers with forklift trucks to perform this work. Out of this controversy an informal agreement was reached among the steamship, stevedores and trucking companies to the effect that there would be a return to the standards and practices that existed prior to 1958. These practices classified the unloading of all cargo for export as being within traditional Teamster jurisdiction, and loading of trucks as divided between Teamster and members of the ILA.

In late 1961 or early 1962, while I was still servicing the Hasman & Baxt job, Hasman & Baxt sold their trucking business to U. S. Trucking. U. S. Trucking thereafter provided to Valencia-Baxt the same services previously provided by Hasman & Baxt. U. S. Trucking retained the same employees. These employees continued to be represented by Local 807.

Sometime in the spring or summer of 1962, I received a phone call from John Strong, the President of Local 807. He indicated that there was a problem at Hasman & Baxt South Street facility. I then went to that warehouse. The facility was being picketed by an ILA delegate and some other ILA pickets. I asked the ILA men what they were doing there, and the ILA delegate replied that pier work was dropping off and the ILA was looking for jobs. They wanted to put a clerk, a checker and a couple of laborers in that part of the U. S. Trucking operation which was servicing Valencia-Baxt.

I said I wasn't going to recognize the picket and that the Local 807 members were going to continue to do all the work at the South Street warehouse. The ILA, thereafter, removed its pickets.

April 5, 1974 Affidavit of Joseph F. Mangan.

Sometime around late 1965, after I had become President of Local 807, Joe Adams, then President of U. S. Trucking contacted me—I don't recall if it was by telephone—and told me that his company wanted to sign a collective bargaining agreement with the ILA covering U. S. Trucking's employees at the West 54th Street terminal (since 1962, Valencia-Barr had moved from South Street to West 54th Street). I said, do it and you'll have a problem with us. He told me that the ILA was holding up containers at the staging areas of Sea-Land and Seatrain and that if he signed with the ILA, it would prevent the further delay of the consolidators' freight that he was hauling. There were about 20 U. S. Trucking employees at the West 54th Street terminal represented by Local 807. I maintained that Adams had better not sign with the ILA. On subsequent occasions, he approached me on this matter, but always received the same answer.

As a result of reports of harassment by truckmen who employed members of Local 807, we asked for a meeting between officials of Local 807, I.B.T. and the ILA. The harassment related to threats by the ILA at that time, that their members would strip and restuff containers originally stuffed by employees under contract with Local 807.

The requested meeting occurred in 1968, and was held in the ILA office at 17 Battery Place, New York City. Present for the ILA were its President, Teddy Gleason, Chuck Connors and Freddie Fields, both business agents. For the Teamsters, I attended, with Joe Trerotola, President of Joint Council No. 16, Jimmy Geoghegan, President of Local 282, and Joe Fusano, President of Local 816. The meeting covered a number of topics with Gleason and Trerotola serving as spokesmen for their respective unions. The relevant topic was containerization. Gleason claimed that the ILA had the right to stuff all of LTL

containers within a 50 mile radius of the Port of New York. I said, bullshit. This was echoed by the other Teamsters. No agreement was reached, although Gleason stated his feeling of friendship for the Teamsters. Chuck Connors, at that meeting, gave me a list of approximately ten consolidation facilities which he invited us to organize. All of these jobs were within a 50 mile radius of New York City. After the meeting, I authorized delegates to attempt to organize the employees at those facilities. They were unsuccessful.

Not long thereafter, another meeting was held between representatives of the Teamsters and ILA in the Teamsters' Washington, D. C., headquarters. For the Teamsters, James R. Hoffa, then-President, Lester Connell, Secretary-Treasurer of Local 816, M. Chavez, a Puerto Rican IBT official (now deceased), Joe Trerotola and myself attended. Gleason, Chuck Connors and Johnny Bowers, an ILA International Vice President, attended for the ILA.

This meeting had been requested by Hoffa. The parties agreed that containerization was hurting the job opportunities of the members of both unions. Hoffa stated that he had no objection to the ILA contracting with its employers regarding containers as long as the implementation of that agreement did not interfere with Teamster jurisdiction. The ILA jurisdiction was defined. It included the traditional customs and practices regarding the loading and unloading of break-bulk cargo within the pier compound (as described above), the operation of forklift trucks for the movement of break-bulk cargo and the operation of tractors for the movement of containers all within the pier compound. At no time did Hoffa or other IBT officials agree to ILA jurisdiction over the consolidation of LTL cargo or any other cargo. There was another affirmation of friendship by the ILA.

April 5, 1974 Affidavit of Joseph F. Mangan.

In 1970, another meeting was held in the offices of IBT Joint Council No. 16, attended by many of the same persons with the exception that President Fitzsimmons attended on behalf of the IBT International Union. Also, in attendance was Mike Calabrese, on behalf of IBT Joint Council No. 73 (New Jersey).

Gleason claimed that because the ILA was losing work opportunities, the ILA was entitled to strip and stuff all consolidators' LTL containers. No IBT official present agreed to this. Chuck Connors then gave me a list of consolidators within the Port of New York and indicated that if the IBT claimed jurisdiction over consolidators, it should organize the names on the list. Subsequently, I discovered that it was the same list that Mr. Connors had given me at the 1968 meeting.

At each of these meetings, Gleason would state that there had been a great number of ILA jobs lost because of containerization. However, on all such occasions, I told him that the Teamster side of containerization was that it had substantially reduced the number of import-export truckmen performing the kind of work that I had done for U. S. Trucking (as described above) with the result that approximately 2,500 members of Local 807 have lost work opportunities. Cargo that had historically come into the metropolitan New York City area in break-bulk form by steamships and railroad and consolidated here for delivery to other piers or railheads has been substantially reduced. Most of that work is now consolidated, by port, at the point of origin (outside of the metropolitan New York City area) and brought to the piers, within the Port of New York, by containers.

I have read the above 9 page affidavit and do solemnly swear that it is true to my knowledge and belief.

(Sworn to by Joseph F. Mangan, April 5, 1974.)

April 6, 1974 Affidavit of Joseph E. McCarthy.

JOSEPH E. MCCARTHY, being duly sworn, deposes and says:

That I reside at 8 Stony Wood Road, E Setauket, Long Island 11733. I am currently employed by the Town of Brookhaven, Long Island, New York, as a driver for the Sanitation Department. I am currently a member of the Retired Teamsters of Local 807, having left active membership in the IBT in September, 1966.

I began my employment in the trucking industry in 1934 when I joined Hasman & Baxt as a wagon boy.

Subsequently, in approximately 1937, I became a full-time driver for Hasman & Baxt. At this time, Hasman & Baxt was a general cartage company, specializing in export/import trucking work and warehousing. At this time, all trucking, warehousing and garage personnel at Hasman & Baxt were members of Local 807, I.B.T.

My duties as a driver consisted of picking up freight at various places within the metropolitan New York area, consolidating full truck loads from such pick ups, and delivering such loads to various piers. Upon arrival at the pier, I would deliver my truckload, dropping individual lots of cargo at each port mark on the pier for which I had a shipment. During this time I always unloaded such export shipments at each port mark by myself.

Similarly, in picking up cargo, I would drive to the appropriate section on the pier and load my truck. Public loaders, paid for by Hasman & Baxt (utilizing a ticket/reimbursement system) would assist me in loading my truck. I might load from several different piers, in order to consolidate a full truck load, which I would then distribute either to other piers, to railheads, or to warehouses, including the Hasman & Baxt warehouse.

Often I would go to various locations, including railheads, piers and warehouses and pick up freight for a

sailing either a few days or a few weeks away. This cargo would be dropped at the Hasman & Baxt warehouse. On subsequent days, I or other Hasman & Baxt drivers might pick up additional cargo for the same sailing. All of this cargo would be consolidated at the Hasman & Baxt warehouse. Shortly, before the sailing, I or other Hasman & Baxt drivers would load the consolidated freight into a truck and deliver it to the pier. I am personally familiar with other import-export firms that were performing similar consolidation functions during this period such as J. A. Patterson, Theodore Ficke and Amadel.

In 1940, I joined the United States Army, serving with the army until 1945. I received an Honorable Discharge.

In 1945, I resumed my employment as a truck driver with Hasman & Baxt. Shortly thereafter my primary duties changed to warehouse foreman and assistant dispatcher, although I occasionally drove a truck. My duties as dispatcher, however, resulted in my being on the piers over a third of my time in order to expedite the movement of freight on and off Hasman & Baxt vehicles.

Sometime in the late 1940's, Mr. John Baxt, President of Hasman & Baxt, told me that we were going to be moving and handling our Puerto Rican freight in a more streamlined fashion. This service would be an express operation conducted in cooperation with the Valencia Trucking Company in Puerto Rico and would be called Valencia-Baxt Express.

Shortly after World War II, some shipping lines in the Puerto Rican trade began to use 7 foot containers, also called "Dravo" boxes.

The service which we were providing was to use these containers to expedite the traditional consolidation function performed both on our trucks and at the Hasman & Baxt warehouse. For the first few sailings on the Bull Line (not more than ten) with this new service we would consolidate shipments to "Val-Baxt", San Juan into

single lots, with a single dock receipt, a single bill of lading and a single consignee and deliver the lot to the Bull Line pier for a particular sailing. However, during this limited period, completely loaded Dravos which had been packed at the Hasman & Baxt warehouse were delivered directly to the Alcoa Lines pier for shipment because Alcoa had equipment available which could be used to lift loaded boxes off our trucks.

On northbound shipments via Bull Lines, during this same period (1949), we would send a driver and a helper, plus such additional men as needed to the piers to unload the contents from the Dravo boxes onto Hasman & Baxt trucks when equipment was not available to lift the loaded boxes onto our trucks. For this process, drivers would hire public loaders to assist him and/or his helpers and pay them with tickets which Hasman & Baxt would redeem later for cash.

Not later than 1949 all of the steamship companies obtained the necessary equipment for hoisting containers directly from the pier onto Hasman & Baxt flatbed trucks. To the best of my knowledge, the Alcoa Line was the first company to have such hoist equipment available. Subsequently, but not later than 1949, the Bull Line also had such hoist equipment.

By 1950, Hasman & Baxt was using flatbed trucks, flatbed trailer trucks and rack body trucks to pick up and deliver containers to the piers. The rack trucks were used only to transport 7 foot containers. The flatbed trucks were used to transport either two Dravo (7 foot) containers or a single 16 foot container. 16 foot containers were, to the best of my recollection, introduced in not later than 1950 or 1951 by the Bull Lines. The flatbed trailer truck was capable of transporting 2 16 foot containers or 3 or 4 7 foot containers.

April 6, 1974 Affidavit of Joseph E. McCarthy.

The containers were hoisted directly aboard the trucks by pier personnel without breaking the seal. The container was then transported by Hasman & Baxt trucks to the Hasman & Baxt warehouse. The containers were shipped on a single bill of lading to a single consignee which was Valencia-Baxt in either New York or San Juan.

Upon arrival at the warehouse, the contents of the container would be unloaded by platform personnel and stored in the warehouse pending delivery by other trucks to Valencia-Baxt Express customers. On some occasions, the contents would be reloaded immediately onto Hasman & Baxt delivery trucks with no storage involved.

On southbound shipments, individual lots would be picked up by Hasman & Baxt trucks or deliveries would be received by Hasman & Baxt, at its warehouse, from outside truckmen and the freight consolidated, at its warehouse, into full container loads. These loaded containers would then be driven to the pier for a particular sailing. Normally, we would immediately load emptied northbound containers with pick-ups or freight received on that or previous days and immediately dispatch the loaded container to the pier.

Our competitor for this consolidation of north and southbound Puerto Rican freight was Puerto Rican Express, Inc. The drivers and warehousemen for Puerto Rican Express were represented by Local 807, I.B.T.

Pick-ups from our customers frequently included so-called "straight loads." Such loads would involve shipments by a single customer of Valencia-Baxt Express which would completely fill a container. Examples of customers frequently shipping straight loads via Valencia-Baxt during the 1950's were: Playtex, IBM, Bargaintown Stores, Burnel Hankerchief Co. and Lowengart Co. On occasion, we would consolidate full container loads for a single ultimate recipient or consignee although there may

have been several parties shipping through Valencia-Baxt Express to the single recipient. Similarly, single shippers might ship a consolidated load through Valencia-Baxt to a series of ultimate recipients. Valencia-Baxt would make door-to-door deliveries (through Valencia-Express) to these recipients in Puerto Rico.

These procedures and practices continued until sometime in 1957 or 1958. At that time, Sealand (then called Pan Atlantic, I believe) introduced 35 foot trailers. These trailers had detachable chassis provided by the steamship company. As a result, we only needed to provide a tractor which would hook into the trailer at the pier or warehouse and pull it to its destination.

During this period (1958-1962) Valencia-Baxt owned no trucks or tractors of its own. It used the trucks and tractors of Hasman & Baxt exclusively. All Hasman & Baxt trucks were clearly marked as Hasman & Baxt trucks.

During the 28 year period I worked with both Hasman & Baxt and Valencia-Baxt Express (through February 23, 1962) at no time was I aware of any demand by the ILA or anyone else which might interfere with the consolidation work which was performed by Hasman & Baxt or Valencia-Baxt Express or with the off-pier use of containers by consolidators. I never heard of any claim made by the ILA that they had the right to load our containers or in any way rehandle them at the pier.

I have no knowledge that, from the 1940's until February 23, 1962, any container consolidated by Valencia-Baxt was ever "stripped and stuffed" by ILA deepsea labor or anyone else. I believe that if such "stripping and stuffing" had occurred, I would have known about it because I would have received information from San Juan that the shipment had been rehandled or would have noticed personally (on northbound shipments) the effects of such rehandling. Also, I believe that if there had ever

really been any dispute with the ILA I believe ILA members would have refused to let us pick up or deliver our containers at the piers. At no time during the period from the late 1940's until 1962 did we ever fail to obtain containers because of ILA demands; ILA members and clerks never refused to receive our containers; and to the best of my knowledge, no restriction in the handling of our containers existed.

Sometime during December, 1961 Hasman & Baxt sold its warehousing and trucking business to the U. S. Trucking Corp. Thereafter, U. S. Trucking provided Valencia-Baxt with the drivers and platform personnel previously provided by Hasman & Baxt. The personnel employed by U. S. Trucking to perform services for Valencia-Baxt Express were essentially the same personnel who had been employed for the same purpose by Hasman & Baxt. They continued their affiliation with Local 807, I.B.T. The other personnel who had worked the Valencia-Baxt operation prior to the sale of Hasman & Baxt continued to fill the same position after the sale of Hasman & Baxt trucking operation to U. S. Trucking. These persons included Roy Jacobs and Harry Goldstein.

I left U. S. Trucking later, on February 23, 1962. I have never since that time had any financial or employment relationship with Valencia-Baxt or Consolidated Express.

I have read the above 6 page affidavit and do solemnly swear that it is true to my knowledge and belief.

(Sworn to by Joseph E. McCarthy, April 6, 1974.)

Affidavit of Willard L. Swain.

WILLARD L. SWAIN, being duly sworn, deposes and says:

1. I reside at R.D. 3, Box 248, Boonton, N. J. I have been in the shipping industry since the year 1927. I have actively operated various marine terminals in the deepsea and coastwide trades, both in the United States and abroad. Since 1952, I was employed in various executive capacities by respondent New York Shipping Association, Inc. I retired on October 1, 1972.

2. From 1954 and for many years thereafter, I also served as Agent for various steamship carriers and stevedoring companies who were signatories to Federal Maritime Board ("FMB") Agreement 8005. This agreement prescribes the rates and terms and conditions under which truck loading and unloading services would be supplied by the steamship companies, terminal operators and contracting stevedores to trucking concerns. I am therefore fully familiar with the history of truck loading and unloading in the Port of New York. During my tenure with NYSA and as Agent under FMB Agreement 8005, I had many meetings and conferences with various representatives of the trucking industry, including both employers and teamster representatives, as well as Mr. Hugh Sheridan, the teamsters' contract arbitrator. I also participated in much of the litigation relating to the truck loading and unloading rules.

3. I have read the affidavit of Mr. Joseph F. Mangan, the present President of Truck Drivers Local Union No. 807 ("Local 807"), sworn to on the 5th day of April, 1974. Preliminarily, I make the following comments with respect to that affidavit:

A. Mr. Mangan fails to describe the greater part of the work jurisdiction of longshoremen with respect to the

receipt and delivery of cargo on the piers and waterfront terminals in the Port of New York. His description is limited to that very small part of pier and waterfront terminal activity relating to the truck delivery and truck receipt of cargo.

B. Mr. Mangan's descriptions of the truckman's duties emphasized the work of the teamsters. It ignores the fact that the work of the longshoremen had been—before containerization—much more substantial and much more detailed.

C. Mr. Mangan seeks to give the impression that containerization has seriously affected the job opportunities of Teamsters' Union. As one who has watched containerization develop over the years, I can state, without equivocation, that the effect on the Teamsters has been minimal compared with the almost cataclysmic effect on the work opportunities of longshoremen. In fact, the Teamsters have benefited from containerization since it has enabled them to handle the loading and stripping of containers not only in port areas, but in many areas throughout the United States where the containers go. As a result, Teamsters now perform much of the lighter cargo which the rails formerly carried.

D. Mr. Mangan's description at pages 5 and 6 of his affidavit of the events in 1958 are completely misleading. The picketing in no way related to any attempt by the ILA to acquire traditional Teamster work. It involved an attempt by trucking interests, through the teamsters, to prevent implementation of the rates to be charged under FMB Agreement 8005. It did not in any way concern a change in the method of handling cargo. In fact under the 1958 injunction Local 807 was enjoined from seeking to encroach upon the ILA's traditional work of loading of trucks at the piers and waterfront terminals in the Port of New York.

E. The period from 1953 through 1960 was a period of great turmoil in the Port of New York involving the Teamsters' Union, the ILA, the trucking interests, and the steamship and terminal operators in the Port. The end result, however, was the continuation of the respective work jurisdictions of the ILA and the Teamsters that had existed previously. Mr. Mangan's contentions as to the Teamsters' work jurisdiction on the piers seek to rekindle this dispute after these many years of peace on the piers.

TRUCK LOADING PROCEDURE

4. In order to have a full and complete understanding of the of the procedure followed on the piers in the Port of New York, during the period referred to by Mr. Mangan, I think it helpful to set forth the following description of the method of loading trucks in the Port.

5. Piers always had security officers who would not permit any truck to enter or leave the pier without permission and without showing the requisite papers, such as delivery, orders, etc. Many of the trucks would be weighed prior to their entry into the pier. The scalemen would be members of the ILA.

Prior to the arrival of a ship at a terminal, a dock or location plan would be prepared by the terminal operator's employees. All of this work was performed by ILA labor under the supervision of pier superintendents and assistant superintendents.

6. On this location plan would be designated the areas on the pier where the cargo would be placed after it was discharged from the vessel. When the cargo was discharged from the vessel by ILA labor, it would be sorted, again by ILA labor, according to bills of lading, marks and

chp marks. It would then be placed at a place of rest by ILA labor in accordance with the indications on the plan.

7. If the cargo was not placed in the particular spot indicated by the location plan, ILA employees would make corrections in the original plan so that the cargo might be properly located. A record of the cargo and the location of that cargo was then made in a delivery book, which was maintained by the ILA delivery clerk. When the cargo was delivered by ILA labor to the consignee or his representatives (i.e., the truck driver), entries were made in the delivery book and on the plan by ILA labor so that at all times, the ILA delivery clerk would know where the cargo was delivered and what cargo, if any, remained on the pier and what the location of that cargo might be.

8. The procedure for loading a truck in the Port of New York was always fairly uniform. The truck would arrive at the entrance of the pier and its presence would be registered in a book at the gate. The driver of the truck would then go to the ILA delivery clerk and sumbit his papers or documents—delivery order, custom permits, releases, proof of authority, etc. Unless all of these papers were in order, the ILA delivery clerk would not permit any delivery to be made.

9. Once the delivery clerk approved the papers, he gave the driver a gate pass which permitted the entry of the truck to a pier area where trucks were loaded or unloaded. With respect to truck loading, all of the truck loading would be performed by ILA labor, with the truck driver being available to assist and supervise the actual loading into his truck.

10. The dock boss for loaders would ascertain the exact location of the cargo from the delivery plan or the delivery

clerk and note its location on papers which would be delivered to a checker. When the cargo was located by ILA labor, the checker would arrange with ILA loaders to deliver the cargo to the truck. The cargo would be loaded by ILA labor into the truck and it would be checked into the truck by ILA labor. After the truck was loaded, it would be dispatched from the loading area and the gateman would permit the truck to leave the pier and make the necessary entries in his book.

11. With respect to the unloading of cargo, the truck driver might not arrive at the pier with a helper. The truck driver would take the cargo to the tailgate of the truck and he or his helper might then put it to a place of rest in the vicinity of the truck and on the pier. More likely, the cargo would be delivered from inside of the truck directly onto pallets, which would be placed tailgate high by ILA labor and ILA labor would then remove the cargo and pallets to places within the pier or terminal.

12. It is obvious that the work jurisdiction of the teamsters with respect to the loading and unloading operation was thus very limited and related primarily to work in the inside of the truck itself. Very little, if any, activity was performed by teamsters outside the truck and within the terminal and pier.

13. The description which I have given above is the work which was performed at the piers both prior to the outlawing of the public loaders in 1953 as well as after that when the work was taken over by the steamship carriers and terminal operators in the Port of New York. There was little or no change in this procedure for the many years that I was engaged in terminal work as an agent under Agreement 8005. The public loaders, who were declared to be an unlawful operation by the compact

between the States of New York and New Jersey creating the Waterfront Commission, were to my knowledge always members of the ILA. I know of no case where they were members of any other union.

ATTEMPTS BY TEAMSTERS TO OBTAIN TRUCKLOADING JURISDICTION

14. As I stated above, the period of the 1950's was one of turmoil in the Port and there were several attempts by the Teamsters' Union to seek to extend its jurisdiction on the piers and terminals. Two of them involved Local 807 directly. None ever succeeded, despite the fact that there were several lengthy work stoppages as a result of the Teamsters' efforts.

A. *The Anti-Trust Suit.*

15. For many years and until December 10, 1953, the work of the loading of trucks at the piers was performed by "public loaders" and those employed by public loaders *for the account of the consignee or of the trucker himself.* Steamship companies, stevedoring companies or other pier or terminal operators had no responsibility for the truck loading operation and received no remuneration whatsoever therefrom. The "Public Loaders" were abolished in 1953 under the Waterfront Commission Compact.

16. After conversations with the Waterfront Commission and others, the members of NYSA empowered to do so under the Waterfront Commission Act, commenced performing the service formerly performed by public loaders for the truckers or consignees, using solely registered longshore labor.

17. In January 1954, the IBT and Local 807 commenced an anti-trust action in the Southern District of New York, Civil Action No. 90-373 against NYSA, its members and the ILA, and sought an injunction under which all the services performed by the public loaders would be done by the Teamsters. It will be noted that Local 807 was a party plaintiff in this lawsuit. The plaintiffs did not obtain the injunction, and eventually abandoned their claim, as they had to since it was totally without foundation.

18. In a recent book entitled "Strife on the Waterfront—The Port of New York Since 1945" (Cornell University Press, 1974), Professor Vernon H. Jensen of the New York State School of Industrial and Labor Relations discussed the events in 1954. He states that at that time the Teamsters "thought the time opportune to claim the work of loading and unloading of trucks at the piers", (p. 130). Professor Jensen concludes that "Local 807 of the Teamsters, the one involved in the fight to claim the work, voluntarily withdrew pickets. ILA men did not shift membership . . ." (p. 131).

19. It should be noted that during this time the ILA was also involved in a struggle with an AFL chartered rival union but was successful in remaining as the representative of the longshoremen.

B. *The 1958 Court Injunction*

20. After enactment of the Waterfront Commission Compact, steamship companies and terminal operators, at the request of truckers, and after conversations with the Waterfront Commission, agreed to perform the service of loading which had previously been performed by public loaders for the shipper, consignee or truckers. An agreement was filed with the Federal Maritime Board, known

as FMB Agreement No. 8005 under which the rates for such services were set forth, and it went into effect as Tariff #1. Thereafter increases in the rates were sought in subsequent tariffs but were not implemented when the trucking industry raised objections. However, in April 1958, the shipping interests indicated that the new higher rates would be put into effect. To bring pressure on the terminal operators and the trucking interests, the Teamsters' cooperation was sought and obtained and picketing of the piers was commenced.

21. The result of the picketing was that an unfair labor practice charge was filed by NYSA alleging violations of Section 8(b)(4)(a) of the National Labor Relations Act and an injunction was sought and obtained in the Federal District Court for the Southern District of New York in Civil No. 132-305. The affidavit I submited in support of the application is attached as Exhibit 1.

22. The litigation and legislation in the 1950's resulted in no change in the division of work on the piers and no change in the respective responsibilities of the longshoremen and teamsters. The truck driver was responsible for delivery to and from the piers, while the longshoremen, who were now directly employed by the carrier or contracting stevedore (after abolition of the "Public Loaders") had jurisdiction over all other activities relating to the movement and handling of the cargo on the pier.

(Sworn to by Willard L. Swain, April 19, 1974.)

Affidavit of Charles Meyers.

CHARLES MEYERS, being duly sworn, deposes and says:

I am employed by Sea-Land Services, Inc. in the capacity of Hiring Agent. My employment with Sea-Land, and its predecessor company, Pan-Atlantic, began in September 1940 when I was employed as a checker.

I entered military service during World War II. Upon returning from active military duty in February 1946, I was re-employed at Pier #2, Hoboken, New Jersey, and thereafter at Pier #6, Bush Terminal, Brooklyn, New York.

In April 1954, Pan-Atlantic relocated its operations to Port Newark, New Jersey. In 1956 Sea-Land took over the operation of Pan-Atlantic and I have continued with that company in various capacities to date. Pan-Atlantic operated in the coastwise transportation of domestic cargo, namely, the movement of cargo by water between various ports on the East and Gulf Coasts of the continental United States. Pan-Atlantic, in the early 1950's, started a container operation of domestic cargo. The ILA, in order to maintain the competitive position of waterborne freight, viz-a-viz over other modes of domestic cargo, permitted the free movement of goods, without any limitation as to size, contents or stripping or stuffing of containers.

However, when Pan-Atlantic went into the New York/Puerto Rican trade in approximately 1957, longshore personnel at the piers handled all aspects of movement of such cargo. In the movement of the containerized cargo in the deep-sea operation, all containers designated as manufacturers or shippers loads (namely, a single Bill of Lading originating from a designated manufacturer who utilized the entire container), were permitted to flow freely without stripping or reloading. However, any cargo that was not a shippers load but was designated as

LTL cargo was brought down to Shed #290 at Port Newark. There the truckman would deliver his freight to the tailgate of the truck. An ILA checker would measure and check the cargo for damage and then it was placed on a pallet and shifted across the terminal to a Pan-Atlantic container, which was loaded by ILA labor. I specifically recall Hasman & Baxt having full truck loads of cargo which came to Shed #290 and piece-by-piece was measured, the weight taken off the package and checked for damage and receipted by the checker and taken away by ILA people and then loaded into a Pan-Atlantic container.

Sometime in the early 1960's, Sea-Land, was giving out its containers to be used as trailers to, among others, Hasman & Baxt. Hasman & Baxt and U. S. Trucking Company, specifically were using the containers as trailers or trucks to bring the freight from that consolidator to Shed #290 where, in some instances, the truckman placed the cargo on a pallet at the tailgate of the truck and it was then taken by ILA labor and loaded into another Sea-Land Container. Otherwise, the container was just dropped.

Mr. Mangan's description at pages 2 thru 5 of his affidavit with regard to procedures for the handling of cargo brought to the pier or taken from the pier by truckmen such as Mr. Mangan are not only deceptive but fail to tell the whole story and convey gross misimpressions. I can recall the was the loading and unloading of cargo was performed prior to containerization back to when I started employment in 1940 up until approximately 1953. In that period of time there was no such thing as containers as we now know them. Rather, 7 x 7 x 7 size boxes were used by steamship lines for the handling of valuable cargo. When a truckman delivered cargo that was of high value in smaller packages such as watches, perfumes, etc., they were received into a "crib". This was an enclosed, high

security area, where the items were guarded by and under the custody of a checker. From time to time, as Mr. Mangan indicates, the truckmen would bring one or more of these small packages to the crib where he would turn them over to the checker. The checker was required to record the delivery and contents of the merchandise in a book (or manifest) prior to his placing it into the crib proper. However, contrary to Mr. Mangan's statement, the truckman was not permitted to handle the merchandise inside the crib, that is, beyond the point of entry. When the merchandise was ready to be loaded on the ship, the "special cargo" checker along with the hatch checker would check the cargo out of the crib and longshoremen would place it into an 8′ x 8′ x 8′ container or other large wooden box. This cargo was then taken and put into special compartments aboard the ship and was also checked by the Mate who receipted for it. As I have indicated, this procedure was limited to the handling of the very small percentage (under 1%) of special or valuable cargo and was the only instance when non-longshoremen, for this limited purpose, carried merchandise on the pier and turned it over to a checker.

Also, in that period, 1940 to approximately 1953, a truckman who was delivering cargo to the pier would only drop off cargo on the dock where it was handled by ILA "tier" men who would then stack the freight as high as they could which in some cases ran 15′ to 20′ from the floor of the pier or terminal. When a truckman was picking up cargo, it was always, to my knowledge, loaded aboard the truck by public loaders who in almost all cases were ILA members. In fact, in 1953, the Waterfront Commission of the Port of New York banned the use of public loaders as such and from that juncture on and to date longshoremen perform the functions formerly exercised by the public loaders.

The foregoing procedures regarding the handling of cargo brought to, or picked up at, the piers applied as well to the method of handling goods transported by drivers employed by Hasman-Baxt and U. S. Trucking Corp. in the 1940's. I was personally familiar with the truckmen-employees of those companies in the course of their transactions at the Pan-Atlantic and Sea-Land terminals where I was employed, and which continued under Valencia-Baxt, the successor to Hasman-Baxt in the 1950's and 1960's. While I cannot attest to the method in which merchandise brought by the foregoing companies were handled at terminals serviced by Bull Lines or Alcoa Lines, I can state, with authority, with respect to Pan-Atlantic and Sea-Land that *no exception* was made for any of those companies or for their drivers regarding the shipment of goods to and from Puerto Rico.

In summation, the statements, of Mr. Mangan and Mr. McCarthy, as to operations at piers and terminals, give only a small part of the total picture. Rather, as fleshed-out by my narration of activities occurring prior to, at the same time or following the truckmen's appearances on the piers, the two mens' various claims and statements have their place in the total, overall picture of the handling of goods in the import/export trade. Unfortunately, their affidavits omit the most relevant and important portions of that picture, namely, significant role of checkers and longshoremen in the unloading of goods from truckmens' vehicles; their storage and transportation to locations for shipment at various points along the piers, by tiermen and general ILA labor; the rehandling (reloading and discharging) of containers of 8 x 8 ft. and larger sizes after delivery to, or before pick up from the piers; the handling of special cargo by ILA personnel through the crib procedure, the preparation and consolidation of outgoing merchandise on pallets by longshoremen; and the breaking down of pack-

ages, or boxes, of goods at various pier locations in preparation for their pick up by the drivers at such time as they appeared to pick them up and longshore loading of trucks after 1956. To put it briefly, we respected their jurisdiction and kept out of the trucks; they respected our jurisdiction and kept off the piers.

In addition to having read the statements of Mr. Mangan and Mr. McCarthy, I have carefully reviewed the testimony of Mr. John C. Tattersall, a former Vice-President of Pan-Atlantic who oversaw certain activities at the New Jersey operations of that company in the 1958 thru 1959 period, as set forth at pp. 61-86 of the transcript in *Balicer* v. *ILA and NYSA,* (Civil #1811/71, U. S. District Court for New Jersey) on February 5, 1974. I conclude that Mr. Tattersall's testimony accurately describes the various activities at Pan-Atlantic's Port Newark Terminal during the period to which he testified, in each and every respect. In particular, I concur in his description of the operations concerning the handling of break bulk and containerized cargo at that terminal as is set forth in detail in his direct examination at pp. 63-69 as parallels my recollection of those matters at that time and throughout my entire experience with Pan-Atlantic and (later) Sea-Land.

I have read the foregoing affidavit consisting of this and five (5) other pages regarding the matters contained in the affidavits of Messrs. McCarthy and Mangan and swear to the truth thereof to the very best of my knowledge and recollection.

(Sworn to by Charles Meyers, April 19, 1974.)

April 19, 1974 Affidavit of Thomas W. Gleason.

THOMAS W. GLEASON, being duly sworn, deposes and says:

I am the International President of Respondent, International Longshoremen's Association, AFL-CIO ("ILA"). I have occupied that position since 1963. My prior testimony in this proceeding is set forth at Transcript pages 974 to 986 and 1003 to 1033 incorporated herein at length with respect to the traditional work jurisdiction of the longshoremen. I have been in the longshore industry continuously since 1915, working in various capacities on the piers as longshoreman, checker and clerk until I became an ILA official in 1937. I submit this affidavit to answer various contentions raised by Mr. Joseph F. Mangan in his affidavit dated April 5, 1974.

I. THE WORK JURISDICTION OF THE LONGSHOREMEN.

From the time I started working in the industry to the present, the jurisdiction of the longshoremen has involved the movement and handling of all cargo on the piers and terminals. This work was, and is, exclusively longshoremen work. The affidavit of Mr. Mangan related not to longshore work in its broad scope; it relates only to that small part of activity on the piers dealing with the interchange of cargo between the Teamster and the Longshoreman. While Mr. Mangan's affidavit is not totally inaccurate, it is grossly misleading in its emphasis and in the facts it fails to relate.

I have read the affidavit of Willard L. Swain and affirm that his description of the procedure for loading and unloading cargo from trucks is correct; as he points out, the major activity of the teamster took place within the truck body itself; very little, if any, activity occurred on the piers proper. The physical movement of the goods off and on to the truck always was done in conjunction with ILA checkers and ILA longshoremen. The truck driver might

direct where the goods should be placed in his truck. That work, however, was only the tip of the iceberg since all of the movement of the cargo on the piers were solely done by longshoremen. In brief, Mr. Mangan is talking about nothing more than the normal pick-up and delivery by a trucker whether to a pier, a warehouse or any other place.

Mr. Mangan's affidavit is misleading in seeking to leave the impression that the consolidation of cargo in large containers has been a thing of long standing and that the teamsters were involved in those activities. This is not correct. What the teamsters may have handled were boxes and cartons *of small proportions* but that is not the same as the consolidation of break-bulk cargo in large containers.

There has always been a certain amount of cargo moving in small crates or boxes. The ILA has never made any claim that every single box had to be opened. Rather the ILA has always claimed that boxes *eight feet or bigger* containing consolidated loads were subject to rehandling. Boxes of a smaller size were of no concern. Most cargo is boxed: canned goods, fabrics, clothing, hardware, business equipment, etc. Lonkshoremen still have to put it on the sling as part of the draft of many boxes and the use of small boxes has never presented a threat to his job opportunities. Thus, various references in Mr. Mangan's affidavit to boxes being shipped without opening by the longshoremen are *irrelevant to the issue* relating to present day containers which run up to 40 feet in length.

In addition, the ILA has always permitted certain exceptions for certain types of containers. Thus, cargo moving in containers in the coastwise and intercostal trade was permitted to move freely without rehandling by longshoremen to enable such cargo to compete with land movements of that cargo. Containers of household goods and U.S. mail also not subject to any reductions. Finally, manufacturers and shippers loads, which account for 80% of the number of containers were permitted to move freely.

Thus, references in Mr. Mangan's affidavit to containers which were placed on board vessels without rehandling by the longshoremen could be in any of the above categories but still fuily comply with the ILA's contractual right to stuff and strip LCL (less-than-container-load, a/k/a LTL) containers.

Similarly, Mr. Mangan's statements relating to delivery to a security crib is only a half-truth. The crib was under the supervision of a crib attendant who was an ILA member. He was responsible for all the goods going into the crib.

If the trucker was permitted to put the valuable shipment in the crib, it was a special accommodation usually when the trucker had only a few items to enable him to leave the pier quickly. However, when the time came for the goods in the crib to be placed on the vessel, such work, including putting it in the wooden containers, was performed by the longshoremen.

II. ILA and Teamster Agreements over Jurisdiction.

Ever since the end of the 1950's when there was a rapid increase in the movement of cargo by the trucks and a decline in the use of lighters, there has been a valid and binding agreement between the teamsters and the ILA over the respective jurisdiction of the two unions. This agreement has been made with the General Presidents of the Teamsters and reaffirmed by them any time it was questioned by any Local of the Teamsters. The agreement was that all work performed within the "compound" (terminal), which covered the loading and stripping of containers, the movement of all vehicles including containers on the piers and terminals and any and all work connected with the movement of cargo within such piers and terminals, was exclusively within the work jurisdiction of the ILA. The

jurisdiction of the teamsters was to move cargo to and from the compound.

In my capacity as an officer of the ILA on many occasions from 1960 to the present day, I have met with representatives of the Teamsters International, the Teamsters Joint Councils and Teamster Locals. Contrary to Mr. Mangan's statement, at all these meetings the above agreement as to the respective jurisdictions of the union was reaffirmed and it was specifically reaffirmed by the two General Presidents of the Teamsters, Messrs. James B. Hoffa and Frank Fitzsimmons. It should be noted that Mr. Mangan has failed to supply any affidavit of the President of the Teamsters Union which would support his assertions.

The statements in Mr. Mangan's affidavit seeking to give the impression that there was no such agreement is completely erroneous. He further errs in implying that the ILA has ever sought to extend its work jurisdiction off the piers. At no time did the ILA ever seek the stuffing and stripping of LTL containers outside the compound. Since 1960, the position of the ILA has been that stuffing and stripping of LTL or consolidated containers was to be performed by the ILA *on* the piers and terminals. We took the position with the Teamsters that we would not interfere with whatever work they performed on such containers outside that compound. Thus, prior to 1960, the ILA had entered into collective bargaining agreements with two off-premises consolidation stations, one in New Jersey operated by Puerto Rican Forwarding, and the second on the 19th Street in Manhattan operated by Sea-Land Services, Inc. Thereafter, under its arrangement with the Teamsters, ILA agreed that it would not seek to organize any other consolidation facilities off the piers and would not open any terminals outside the compound. In fact, even these two exceptions were closed in March of 1973 as a result of the Dublin Rules.

April 19, 1974 Affidavit of Thomas W. Gleason.

Mr. Mangan also refers to the picketing at the Hasman & Baxt South Street facility in 1962. Contrary to the statements of Mr. Mangan, no attempt was made by this picket line to obtain any work for the ILA away from the piers or to represent those employees. On the contrary, the picket line was an informational picket line stating that the work performed at this facility was taking away jobs from ILA workmen at the piers and terminals.

When this matter was brought to my attention, I had the pickets withdrawn on the grounds that the proper remedy was a grievance against the steamship companies that might be permitting such containers to move without being stuffed or stripped on the piers in violation of ILA contract provisions. I personally presented the ILA's complaint to the NYSA-ILA Labor Relations Committee which found the steamship company involved to be guilty of a violation of our collective bargaining agreement which required that all LTL containers which came to the pier be stuffed and stripped by ILA labor. (See Respondents' Exhibit 19a)

On pages 6 and 7 of his affidavit, Mr. Mangan relates a series of conversations with Mr. Joe Adams, President of U. S. Trucking implying that the ILA was seeking to have him sign a collective bargaining agreement with the ILA covering U. S. Trucking employees working at the West 54th Street facility. The truth of the matter is completely to the contrary. I have had conversations not only with Mr. Adams but with many other operators of consolidation stations in the Port of New York over the past fifteen years. In each case, the position of the ILA was absolutely the same—we would not sign any contracts covering consolidated employees outside the compound because we had an agreement with the Teamsters, that the ILA would perform the loading and stripping of containers *on* the piers and within the compound. ILA has not sought to organize any employees off the pier. In fact, prior to 1960, Local 1730 of the ILA had organized many platform

and other employees of trucking companies and has contracts with well over 100 trucking companies in the New York area. However, after the ILA's agreement with the Teamsters, I issued strict instructions to Local 1730 that they were not to organize any new companies. These instructions have been lived up to 100% in the fourteen years since our agreements with the Teamsters.

The fact that LTL containers may be loaded by ILA members of Local 1730 does not affect the application of the Rules on Containers to them and such LTL containers still are stripped at the piers. Thus, the ILA has not treated containers consolidated by ILA labor off the pier any differently than containers consolidated by Teamsters off the piers. If any such containers carry LTL cargo, our collective bargaining agreement requires that they be stuffed and stripped at the pier.

The affidavit of Mr. Mangan concedes that I instructed Mr. Raymond Connors who has served as the ILA container investigator for more than fifteen years, to supply the Teamsters with lists of non-union consolidators off the piers so that the Teamsters might seek to organize them. Certainly, if the ILA were interested in organizing those employees, it would never have taken such action.

Mr. Mangan overlooks the fact that the ILA presently has no jurisdictional issue with any Teamster Local in the Port of New York. The Rules on Containers do not seek to interfere with any of their work. It seeks to protect only the work of the ILA deep-sea worker within the compound on the piers and terminals within the Port of New York.

III. The Impact of Containerization on the Longshoremen

The impact of containerization has been catastrophic to the job opportunities of the longshoremen. In 1959, be-

fore containerization became of any significance, there were over 30,000 ILA members actively engaged in the Port of New York and performing more than 44,000,000 hours of work. From that time, despite the fact that the number of tons of cargo moving through the Port has increased, the work opportunities of our members have decreased. The following schedules show the effect of containerization upon the longshoremen's livelihood:

Contract Year Ending	*ILA Members Employed*	*Longshore Man Hours Worked*
9/30/59	30,428	44,695,693
9/30/65	25,033	40,757,634
9/30/69	22,531	33,935,416
9/30/72	16,741	22,627,084

As a result of containerization, by the year 1972, there were less than 17,000 longshoremen working on the piers and they performed less than 23,000,000 hours of work. At present, the number of longshoremen on our rolls has fallen to 14,000 men. Thus, in a short period of time there has been more than a 50% reduction in the job opportunities of ILA members. The overwhelming amount of such loss is directly attributable to containerization.

The Rules on Containers have as their sole object the preservation of the limited job opportunities still left in the Port of New York to the longshoremen.

The ILA has no interest in w[illegible] occurs outside the compound and is not seeking to encroach upon any other unions work jurisdiction. However, it is seeking to preserve to its members the traditional longshore work that has been reserved to them, both by agreement with the employees and with the Teamsters.

April 19, 1974 Affidavit of Thomas W. Gleason.

CONCLUSION

It is important for the Administrative Law Judge to note that the detailed facts with respect to pier and cargo operations can only come from those having detailed and day-to-day knowledge on the movement of cargo on the New York piers. Thus, the testimony of the following witnesses must be accepted as dispositive.

A. As to the stuffing and stripping of Valencia-Baxt's containers, the clear and uncontradicted testimony of Messrs. Tattersall, Raiola and Meyers;

B. As to the unbroken history and traditional practice of stuffing and stripping all LCL containers from their very inception, the testimony of Michael R. McAvoy, Michael Nicholas, James J. Dickman, John W. Haynes and my own;

C. As to the true demarkation between ILA and Teamster jurisdiction, the expert testimony of Willard L. Swain, who acted as the first agent under FMB Agreement No. 8005 and who participated in the complex litigation involving this issue in the 1950's.

Measured against the above testimony, the partial, incomplete and misleading testimony of Messrs. Mangan and McCarthy must be rejected.

(Sworn to by Thomas W. Gleason, April 19, 1974.)

March 12, 1974 Letter From ILA President Gleason to IBT President Fitzsimmons.

March 12, 1974

Mr. Frank E. Fitzsimmons, General President
International Brotherhood of Teamsters, Chauffeurs,
Warehousemen & Helpers of America
25 Louisiana Avenue, N.W.
Washington, D. C. 20001

Dear Sir and Brother:

As you may be aware, charges have been filed with the National Labor Relations Board in Newark, New Jersey by various consolidators of containerized cargo alleging that the ILA and the shipping associations in the Port of New York have violated certain provisions of the Labor-Management Relations Act. In substance, the charges attempt to place in question the jurisdiction of ILA-represented employees over the stuffing and stripping of containerized goods, particularly in the New York-Puerto Rican trade, passing over the piers during (at least) the past twenty-five years.

Consolidated Express, Inc., one of the charging parties before the NLRB, employs members of your Local 807. These and other employees formerly performed Consolidated's work as employees of U. S. Trucking Company. Local 807 has appeared as an intervenor in one of these cases, which have been consolidated for hearing on March 20, 1974. I am now informed that Local 807 proposes to introduce evidence at the hearing to demonstrate that the Teamsters have a prior work history going back to the 1950's and 1960's at the piers, in order to support its claim or jurisdiction over the disputed work contrary to, or concurrent with, the ILA's claims.

March 12, 1974 Letter From ILA President Gleason to IBT President Fitzsimmons.

In view of this recent development, and the position taken by one of your Locals, will you please confirm whether the past agreements with you and your predecessor concerning the ILA's exclusive and traditional jurisdiction over the containerization of merchandise (including less than container loads) at the piers are still in effect. If such is not the case, please let me know so that we can promptly take appropriate action.

My best personal regards.

Sincerely and fraternally yours,

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION,
AFL-CIO

T[illegible]as W. Gleason
President

April 22, 1974 Telegram From IBT President Fitzsimmons to ILA President Gleason.

MR. THOMAS W. GLEASON, PRESIDENT
INTERNATIONAL LONGSHOREMEN'S ASSOCIATION
17 BATTERY PLACE
NEW YORK, NEW YORK 10004

THIS WILL ACKNOWLEDGE RECEIPT OF YOUR RECENT COMMUNICATION TO ME DATED MARCH 12, 1974. THIS TELEGRAM WILL SERVE TO CONFIRM PREVIOUS JURISDICTIONAL UNDERSTANDINGS BASED ON HISTORICAL WORK PRACTICES, BETWEEN THE IBT AND ILA WITH RESPECT TO THE HANDLING AND MOVEMENT OF CONTAINERIZED FREIGHT WITHIN THE CONFINES OF THE COMPOUND AND BEYOND.

FRANK E. FITZSIMMONS, GENERAL PRESIDENT
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

Affidavit of J. Warren Mangan.

J. WARREN MANGAN, being duly sworn, deposes and says:

That I am general counsel to Truck Drivers Local Union No. 807, I.B.T.

On April 26, 1974 my office, by telephone, received the content of a telegram from Frank E. Fitzsimmons, President of the International Brotherhood of Teamsters. The telegram was addressed to Joseph F. Mangan, as President of Truck Drivers Local Union No. 807, I.B.T. The content was as follows:

> "In response to your inquiry it is the understanding between the ILA and the IBT regarding containerization that the loading and unloading of LTL containers within a compound comes within the jurisdiction of the ILA. When LTL containers are loaded or unloaded outside the compound that work falls within the traditional jurisdiction of the IBT."

(Sworn to by J. Warren Mangan, Esq., April 29, 1974.)

Affidavit of Percy Marcus.

PERCY MARCUS, being duly sworn, deposes and says:

I am the Executive Vice President of United States Trucking Corporation, 66 Murray Street, New York, New York. I was first employed by U. S. Trucking on June 29, 1929. I had worked for John J. Purcell, Inc. for a few months when that business was acquired by U. S. Trucking. My first job with U. S. Trucking was as a wagon boy. Over the years, I was promoted to clerk, foreman, Superintendent of Operations, Assistant Vice President and in 1965 I became Executive Vice President.

On or about December 1, 1961 U. S. Trucking purchased the trucks and related equipment utilized by Hasman & Baxt in the performance of its operations as a broker and freight forwarder.

Prior to the acquisition of the trucking assets of Hasman & Baxt that firm performed three major functions. First, it acted as a broker and freight forwarder on behalf of shippers and consignees. Second, it provided a platform service for the consolidation of LTL freight into containers for Valencia-Baxt Express. Valencia-Baxt Express was a firm which provided express freight service, with door to door delivery, between the ports of San Juan, P. R. and New York. Thirdly, Hasman & Baxt performed all the necessary trucking services related to both its freight forwarding business and that of Valencia-Baxt Express.

On or about December 1, 1961 U. S. Trucking commenced to perform all platform and trucking services required by either Hasman & Baxt or Valencia-Baxt. Hasman & Baxt independently continued as a broker for general freight transported world wide. Valencia-Baxt continued as a consolidator and freight forwarder in the New York-Puerto Rican trade.

U. S. Trucking performed both platform and trucking services on behalf of Valencia-Baxt and Hasman & Baxt

from 288 South Street, Manhattan, New York City, New York.

Hasman & Baxt had a collective bargaining agreement with Truck Drivers Local Union No. 807, I.B.T. covering the wages, hours and other terms and conditions of employment for its platform men and truck drivers. U. S. Trucking also had a collective bargaining agreement with Local 807. When U. S. Trucking purchased the Hasman & Baxt trucks and began to perform the work for Hasman & Baxt and Valencia-Baxt, the former Hasman & Baxt employees continued to be governed by a Local 807 collective bargaining agreement.

Shortly after U. S. Trucking acquired the trucking assets of Hasman & Baxt I was visited by two purported representatives of the International Longshoremens Association, namely Raymond J. Connors and Fred R. Field, Jr. Connors and Field asserted that only I.L.A. members should perform the platform work at 288 South Street. I explained that U. S. Trucking had a labor agreement with Local 807, I.B.T. which we had an obligation to honor.

Several months later, in July, 1962, I received a telephone call from Mr. Field (I.L.A.) requesting an appointment. We set a date for Tuesday, July 31, 1962, at 2:00 p.m. The substance of this meeting is described in a draft affidavit which I dictated in August, 1962. The draft is attached as Exhibit "A".

In short, representatives of the I.L.A. demanded that the South Street platform work be performed by I.L.A. members at that location. I again repeated that U. S. Trucking had an obligation to honor its Local 807 labor agreement. At no time during this period did any I.L.A. representative suggest that their objective was to move the work performed at 288 South Street to some other location. On the contrary, it was always clear to me that the I.L.A. was seeking the jobs at the South Street facility.

Affidavit of Percy Marcus.

The next day, August 1, 1962, after demands were once again made by Mr. Connors and Mr. Weir that I.L.A. members perform the platform jobs at 288 South Street a picket line was put up around the South Street premises upon the arrival of an empty Sealand container. After being notified by Joseph Lynch, U. S. Trucking's Superintendent of Operations, of the picketing I called John Strong, then President of Local 807. I advised Strong of the I.L.A.'s demand and their threat to have a Sealand driver remove a Sealand container from the South Street loading platform.

Strong advised me that he would look into this matter. I later received phone calls from Strong and Joseph F. Mangan, then Vice President of Local 807, advising me that the Sealand box would not be removed by other than a U. S. Trucking driver.

The Sealand container was loaded by U. S. Trucking platform employees and removed by a U. S. Trucking driver. Joseph Lynch accompanied the driver to Sealand's pier facilities at Port Newark. Sealand refused to receive the container. Lynch called me and I directed him to bring the container into Sealand's compound, show the container to a Sealand receiving clerk and drop the box. I told Lynch if he was unable to obtain a signed receipt for the container to leave without it. He never received a signed receipt. After approximately one week Sealand containers were furnished to our drivers and Valencia-Baxt business resumed as before.

I have read the affidavit of Charles Meyers, dated April 19, 1974. His claim that U. S. Trucking leased or used Sealand containers for local cartage is ridiculous, U. S. Trucking owned at that time *350* trailers of its own. In addition it owned *750* straight trucks.

Sealand charges detention (demurrage) for the use of its containers. It is completely unreasonable to suppose that U. S. Trucking would rent Sealand containers for pier deliveries when it owns its own equipment. Furthermore,

it would be embarrassing to U. S. Trucking's reputation with its customers to be using Sealand containers, rather than its own equipment, for customer pick-ups.

Meyers goes on to imply that Valencia-Baxt freight was brought to Shed #290, unloaded by U. S. Trucking drivers, placed on pallets, measured and reloaded into another Sealand container. If this were true U. S. Trucking would not have employed, as it did, its own platform personnel, at South Street, to consolidate Valencia-Baxt shipments while simultaneously delivering Valencia-Baxt freight to Shed #290. As a matter of economic, as well as common, sense this would not have been and was not our practice. If consolidation work was performed for Valencia-Baxt (and later Consolidated Express) at Shed #290 U. S. Trucking would most certainly not have hired platform men to perform this function.

There were, however, occasions when U. S. Trucking would make pick-ups and deliveries of LTL freight for other shippers and customers. These LTL deliveries to the piers would invariably be made in U. S. Trucking equipment and not Sealand trailers.

U. S. Trucking continued to perform the same services for Valencia-Baxt until 1965. At that time Consolidated Express, Inc. acquired the New York-San Juan, P. R. consolidation and express service from Valencia-Baxt. U. S. Trucking then contracted with Consolidated Express to provide their platform and trucking personnel, as well as to lease them space and vehicles.

In 1972 Consolidated Express moved to Maspeth. U. S. Trucking continued to provide platform and trucking services for Consolidated Express at that location until the summer of 1973.

I have read this four (4) page affidavit and know that the contents thereof are true.

(Sworn to by Percy Marcus, April 29, 1974.)

Attachment A to Marcus Affidavit.

Comes now Percy Marcus, who under oath deposes and says:

I am Vice President of United States Trucking Corporation, 66 Murray Street, New York, N.Y. Tel. No. WOrth 2-4900. I have been Vice President for three years and am in charge of operations. I am responsible for any matters pertaining to the moving and handling of freight.

The majority of United States Trucking's business is in the Metropolitan New York Area. Our gross business figure per annum is over $500,000. We employ approximately 1500 people.

We employ at our platform at 288 South Street, New York, approximately 14 persons—10 are platform loaders. The duty of these men is to load and unload trucks and equipment and sort freight for furtherance. Trailers owned by Sea-Land and other companies that are brought by us to 288 South Street and there these trailers are stripped, the freight is sorted and redelivered ultimately to its consignee. The only labor that our employees perform at Sea-land is unhooking the trailers which we bring there and hooking into trailers that we take from there.

The South Street address is the only point at which the loading and unloading of containers is done by employees of this company.

Local 807 International Brotherhood of Teamsters has the general contract with us for the loaders, platform men and drivers in New York City.

United States Trucking Corporation took over the trucking business of Hasman & Baxt on or about November 1, 1961. At that time we took over the Collective Bargaining

Attachment A to Marcus Affidavit.

Agreement between Hasman & Baxt and Local 807, covering the 10 platform loaders at 288 South Street, New York and covering 13 drivers. Hasman & Baxt had this contract with the Teamsters for some time. This Collective Bargaining Agreement expires on August 31, 1962.

In December 1961 I had what I would term a casual visit from two purported representatives of International Longshoremen Assoc. namely, Raymond J. Connors and Fred R. Field, Jr. At that time I explained that we had a teamsters contract and even if we did not we could not do business with the I.L.A. because the teamsters were handling other freight for us.

A few days before July 31st, I had a telephone call from Mr. Fields (I.L.A.) requesting an appointment. He said he would like to see me. We set a date for Tuesday, July 31st at 2:00 P.M.

On July 31st, Field appeared in my office at approximately 1:30 in the afternoon with Messrs. Connors, Weir, Ahearn and Totsy (Totsy was reported to be a Steward for the I.L.A.). I asked them what was the purpose of their visit and they told me that the I.L.A. wanted and demanded the platform work at South Street. I told them that my superior, Mr. Adams, was out of town and that I could not agree to any of their proposals. I also told them that we had a Collective Bargaining Agreement with the Teamsters. I further told them that I would discuss the matter with Mr. Adams on the following Monday.

They replied that in that case they would have to picket us and shut us out from getting trailers for Sea-land. This statement was made by Mr. Weir.

I explained to them that our operation at South Street which is performed by the Teamsters was not only the

loading and unloading of Sea-land freight, but also the loading and unloading of other freight.

I inquired as to what their reason was for this sudden demand for work normally done by the Teamsters. Mr. Weir stated that the I.L.A. had unemployment on the East River and that work was needed for its members. To this I again stated that the Teamsters would remain at South Street and I repeated that U.S.T. was obliged to retain the Teamsters there. Weir then stated that I.L.A. could not wait that there was no sense in folling around and that the I.L.A. would take action the following morning.

The next morning I received a telephone call from United States Trucking's supervisor at South Street. He advised me that approximately 8 strangers were standing around across the street from our Terminal.

Prior to the time I received this call and for a period of time after it (until approximately 9:30 A.M.) vehicles operating by Teamsters Union Members backed in and were loaded and unloaded at the South Street Terminal. At 9:30 A.M. when the first Sea-land trailer backed in, Messrs. Connors and Weir made an appearance at the Hasman & Baxt platform and demanded the platform work for the I.L.A.

Mr. Joseph Lynch, Superintendent of Operations for United States Trucking Corporation, to whom the demand was made, stated that the work could not be given to the I.L.A. he stated that the Teamsters would continue to perform platform work.

Immediately subsequent to that conversation men wearing placards that said I.L.A. on strike began picketing the South Street premises. The placards carried by these men were cut so as not to include the local number of the men picketing.

Attachment A to Marcus Affidavit.

I do not know of my own personal knowledge were any trucks or trailers left or refused to approach South Street premises because of the picket line. Mr. Lynch who was present might have personal knowledge.

The picket line remained in operation for the balance of that day August 1st and up until approximately 1:30 P.M. on Thursday, August 2, 1962.

On Wednesday afternoon, August 1st, a trailer that had been loaded at the South Street premises was transported to the Sea-land premises at Port Newark and was there offered for delivery to Sea-land. Our Mr. Lynch was present at the Sea-land premises when the truck driver offered the load. Employees of Sealand refused to accept the trailer. Mr. Lynch knows the names of the people on behalf of Sea-land who so refused as well as the name of the U.S.T. chauffeur.

When I was informed by telephone of these developments at Sea-land I instructed Mr. Lynch to have the chauffeur drive the trailer into the Sea-land premises. I told him that the trailer was sealed, that it was consigned to Sea-land, that it was therefore their property and that they should have it. Mr. Lynch later told me that these instructions were followed to the letter and that Sea-land employees refused to give him a receipt or the driver a receipt for the load.

Mr. Lynch and the driver then attempted to pick up a trailer at Sea-land consigned to us. However, Sea-land's employees would not release that trailer to us. As of this day I do not know what has happened to that loaded trailer since we have been unable to pick up any consignment from Sea-land except one trailer consigned to one of our customers.

Attachment A to Marcus Affidavit.

Mr. Lynch has the name or names of the employee or employees of Sea-land who refused to release the loaded trailer to us.

On Wednesday, August 1st, after delivery of our trailer to Sea-land, I received a call from Mr. Younger of Sea-land. He stated that he was having trouble with the I.L.A. about the trailer that we had delivered to Sea-land and he would rather not have it received. He further stated that he was to have a meeting with the I.L.A. the following morning and requested that I pick the trailer up and keep it until the outcome of this meeting. I told Mr. Younger I was unable to take the trailer as I had an obligation to my customer. Sea-land is our largest customer dealing in freight coming to and coming from Puerto Rico.

Since Wednesday, August 1st, United States Trucking Corporation has been unable to obtain any trailers coming in from Puerto Rico. This has curtailed our Puerto Rican business approximately 75%.

I have read the foregoing pages and state that the contents of those pages are true to the best of my knowledge.

(Sworn to by Percy Marcus, August 8, 1962.)

April 29, 1974 Affidavit of Joseph E. McCarthy.

JOSEPH E. MCCARTHY, being duly sworn, deposes and says:

That I reside at 8 Stony Wood Road, East Setauket, New York 11733. I prepared an affidavit for this proceeding which was executed by me on April 6, 1974. I have prepared this supplemental affidavit in reply to the affidavit of Charles Meyers, dated April 19, 1974.

Hasman & Baxt had no occasion to deliver "full straight loads" of Valencia-Baxt freight to Shed #290. Hasman & Baxt did deliver LTL shipments on behalf of other shippers to Shed #290. These LTL shipments were made as part of Hasman & Baxt's general brokerage and freight forwarding business. Such shipments were always made in Hasman & Baxt straight trucks. Sea-Land containers were never used for this purpose, nor was there any reason for doing so.

(Sworn to by Joseph E. McCarthy, April 29, 1974.)

April 30, 1974 Affidavit of Joseph F. Mangan.

JOSEPH F. MANGAN, being duly sworn, deposes and says:

On April 5, 1974 I executed my affidavit which set forth the traditional jurisdictional history between the Teamsters and International Longshoremen's Association in the Port of Greater New York. I have prepared this affidavit in rebuttal to the affidavit of Thomas W. Gleason, dated April 19, 1974, which replied to my affidavit.

Mr. Gleason states that "there has been a valid and binding agreement between the Teamsters and ILA over the respective jurisdiction of the two unions." If that agreement has been documented I have never seen it. The oral understanding between the Teamsters and ILA was set forth on page 8 in my April 5, 1974 affidavit.

With regard to containerization, my office, by telephone, received on April 26, 1974, the content of the following telegram from Frank E. Fitzsimmons, President of the International Brotherhood of Teamsters:

> "In response to your inquiry it is the understanding between the ILA and the IBT regarding containerization that the loading and unloading of LTL containers within a compound comes within the jurisdiction of the ILA. When LTL containers are loaded or unloaded outside the compound that work falls within the traditional jurisdiction of the IBT."

On receipt of a copy of that telegram I will forward copies to the Administrative Law Judge and all parties to the consolidated proceeding. The telegram will be submitted as part of this affidavit and marked as Exhibit "A".

(Sworn to by Joseph F. Mangan, April 30, 1974.)

Attachment A to April 30, 1974 Mangan Affidavit.

TELEGRAM

—— 04/26/74

PMS MR. JOSEPH O. MANGAN, PRESIDENT
TEAMSTERS LOCAL UNION 807
32-43 49TH STREET
LONG ISLAND CITY, NEW YORK 11103

IN RESPONSE TO YOUR INQUIRY IT IS THE UNDERSTANDING BETWEEN THE ILA AND THE IBT REGARDING CONTAINERIZATION THAT THE LOADING AND UNLOADING OF LTL CONTAINERS WITHIN A COMPOUND COMES WITHIN THE JURISDICTION OF ILA. WHEN LTL CONTAINERS ARE LOADED OR UNLOADED OUTSIDE THE COMPOUND THAT WORK FALLS WITHIN TRADITIONAL JURISDICTION OF THE IBT.

FRANK E. FITZSIMMONS, PRESIDENT

TELEGRAM

INTERNATIONAL BROTHERHOOD OF TEAMSTERS
NNNN

Affidavit of Fred R. Field, Jr.

FRED R. FIELD, JR., being duly sworn, deposes and says:

FIRST: I am the International General Organizer, International Longshoremen's Association, AFL-CIO, with offices at 17 Battery Place, New York, New York 10004, and President of New York District Council, I.L.A., AFL-CIO. I am also Secretary-Treasurer of Local #856, I.L.A., AFL-CIO.

SECOND: In April, 1962 I was President of the New York District Council, I.L.A., AFL-CIO, and Secretary-Treasurer of Local #856, I.L.A., AFL-CIO. The latter Local's jurisdiction extends along the west side of Manhattan from Pier 15 (North River) around the Battery and along the East River. This territory includes the South Street area near the Battery (or lower tip of Manhattan).

THIRD: In 1962, as at present, the contract and practices between New York Shipping Association and International Longshoremen's Association included the loading and stripping of less-than-container-load containers at the piers, using the services of longshoremen, checkers and related crafts. Sometime in early 1962, I received complaints from active and unemployed members of Local #856 that various shipping company trailers were observed by them being backed into the warehouse facility maintained by Hasman & Baxt at a location on South Street and that shipments of export cargo were being consolidated into those trailers. This was work traditionally performed at the piers by longshoremen and related crafts. An investigation by our Mr. Connors and others revealed that as a result of the practices then going on at the South Street facility, the steamship companies, whose containers were being consolidated there, were violating our contract. At that time, the Hasman and Baxt trucking operation was under the ownership and control of U. S. Trucking Co. The latter also had a then-

existing operation at Pier 68, East River, within Local #856's jurisdiction. I was therefore certain that Mr. Marcus, an official of U. S. Trucking, would comprehend and recognize that the activities at the South Street facility were leading to violations of our contract with NYSA and that Mr. Marcus, upon being advised of our concern, would discontinue the loading operation by Hasman & Baxt of Sea-Land containers.

FOURTH: Prior to the foregoing, I was a member of an ILA delegation that met in 1960 with Mr. James Hoffa, General President of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen & Helpers of America. At that meeting, we arrived at a mutual understanding on the respective work jurisdictions of the ILA and the IBT, whereby the IBT would refrain from seeking jurisdiction at the compounds (piers and terminals) and the ILA would respect the IBT's jurisdiction at off-compound locations, such as warehouses and inland terminals. Accordingly, when I arranged to meet with Mr. Marcus (as will be described hereafter), I was well aware that the ILA had precluded itself from organizing employees away from the piers and terminals as well as from seeking employment for its members at inland locations.

FIFTH: In late July, 1962 I and Messrs. Connors, Ahearn and Weir, met with Mr. Marcus in his office. I have read Mr. Marcus' version of our conversation on that occasion, as set forth at pages 2 and 3 of his affidavit and at pages 1 and 2 of Exhibit A thereto. I emphatically disclaim any of the statements attributed by Mr. Marcus to me and to other ILA representatives referred to therein as he recites them. I wish to emphasize that at no time did I or any of the other ILA representatives ever request or demand that U. S. Trucking recognize the ILA as the representatives of its platform employees at the South Street location or that those employees be replaced

by persons represented by the ILA. Rather, as indicated above, we expressed our concern over the erosion of the loading and stripping work at the piers by reason of the performance of that very work at Mr. Marcus' South Street facility. We pointed out that, as he well knew, Sea-Land and other steamship operators who were supplying the containers that his company was using were bound by the traditional practices and contractual commitments to the ILA for the loading and stripping (or: discharge) of LTL containers by longshoremen at the piers. We stressed to Mr. Marcus that because the containers being loaded at his warehouse were not being rehandled when they arrived at the piers, since it was almost impossible to distinguish them from containers of the shipping companies not requiring rehandling, the consolidating as was then taking place at South Street was causing violations of our contract with NYSA. We noted that the continuation of this practice would have a serious impact on the job opportunities for our members at the piers. Mr. Marcus stated that he would convey our message to Mr. Adams, President of U. S. Trucking Co. [Marcus' own response was negative and he took a very provocative stance with respect to our demands.] When neither Marcus nor Adams made any move to contact us to resolve this matter, I proceeded, upon my own authority, to put up two informational pickets in front of the South Street location. A reduced copy of the actual sign carried by the pickets at that time is appended hereto as Exhibit A, which reads:

"A PROTEST

OF THE

THREAT TO JOB SECURITY OF

I.L.A. LONGSHOREMEN AND

AFFILIATED CRAFTS

(I.L.A. emblem)

THIS IS FOR INFORMATION ONLY"

As the foregoing picket sign clearly indicates, the picketing had an informational purpose only, contrary to Mr. Marcus' contention. Nevertheless, Mr. Thomas Gleason, my superior, directed me a day or so later to remove the picket line pending further discussions on this matter with the representatives of the Teamsters, inasmuch as the Teamster delegate had objected to the picketing and we were to meet on the matter with him shortly.

SIXTH: At a meeting a few days later between Mr. John O'Rourke, then President of Joint Council #16, I.B.T., and Mr. Gleason, myself, Captain Bradley (President of the ILA in 1962), Mr. Weir and Mr. Connors, Mr. Gleason carefully explained the ILA's position in light of our prior agreement with Mr. Hoffa. Mr. O'Rourke assured us that his union had no intention of encroaching on the jurisdiction of the ILA under that agreement, and we in turn assured him that the ILA had no objectives with regard to the South Street facility or any other similar off-pier facility. At the conclusion of the meeting, Mr. O'Rourke assured us that the consolidation taking place at the Hasman & Baxt facility would be discontinued unless the containers were reloaded at the piers. In turn, we agreed to refrain from putting up pickets at South Street and reaffirmed our recognition of Local 807, Teamsters' jurisdiction over work at the South Street facility.

SEVENTH: I have read the foregoing statement consisting of this and four other pages and swear that it is true to the best of my knowledge and recollection.

(Sworn to by Fred R. Field, Jr., May 6, 1974.)

May 6, 1974 Affidavit of Thomas W. Gleason.

THOMAS W. GLEASON, SR., being duly sworn, deposes and says:

FIRST: This affidavit is submitted as a supplement to my affidavit of April 19, 1974 and in response to the affidavit of Percy Marcus dated April 29, 1974.

SECOND: In his statement, Mr. Marcus claims that the ILA sought to perform the work of the employees of Hasman & Baxt at an inland terminal on South Street, New York City, New York. I reiterate and reaffirm pages 5 through 7 of my prior sworn statement in which I asserted that ILA longshoremen were to stuff and strip LTL containers at piers and docks. Indeed, prior to 1960, the ILA had entered into collective bargaining agreements with two off-premises consolidation stations, one in New Jersey which was an affiliate of Puerto Rican Forwarding Company and another in New York City, operated by Sea-Land Services, Inc. In accordance with our agreement with Mr. Hoffa, the ILA agreed that it would not seek to organize any other consolidation facilities off the piers and that it would not open any terminals outside the compound in the Port of New York. I note, parenthetically, that the two facilities referred to above were closed in March, 1973 following the promulgation of the Dublin Rules.

THIRD: With regard to the specific incident at the South Street Terminal of Hasman & Baxt in 1962, I have refreshed my memory as to that event by a review of files, memoranda and other documentations at or about the time of the alleged incident. These show that the representatives of the ILA who visited Mr. Marcus on or about July 31, 1962 were protesting Hasman & Baxt's performance of certain consolidation work on South Street. When this matter was brought to my attention by John O'Rourke,

May 6, 1974 Affidavit of Thomas W. Gleason.

President of Joint Council #16 of the Teamsters, I directed that the pickets be withdrawn pending further discussions with Mr. O'Rourke. At a meeting which I attended with other ILA representatives and with the Teamsters representative, we clarified our positions with regard to the containerization of less-than-container-load cargo away from the piers and Mr. O'Rourke acknowledged our jurisdiction over consolidation of LTL cargo at the piers. We again reassured him that the ILA had no intention of asserting its jurisdiction at the South Street facility of Hasman & Baxt or at any other off-pier terminal which was within the proper jurisdiction of the Teamsters.

FOURTH: A further reason for withdrawal of the pickets was my determination that the proper remedy was a grievance against the steamship companies that permitted their LTL containers to be moved without stuffing and stripping at the piers as was required under our contract with NYSA. Accordingly, I personally presented such a grievance to the Labor Relations Sub-Committee of the NYSA-ILA Contract Board. That Committee subsequently found that Sea-Land was in violation of the NYSA-ILA contract. (See Exh. 19A) Thus, at that time as at present, the ILA sought to preserve work opportunities for its members by enforcing its contractual rights against NYSA members who were/are parties to the NYSA-ILA contract. ILA never had any dispute with operators of inland terminals which were not bound by the contract.

FIFTH: I have also read the affidavit of J. Warren Mangan dated April 29, 1974 containing a quotation of a telegram from Frank E. Fitzsimmons, President of the International Brotherhood of Teamsters. The quoted telegram is fully consistent with an earlier telegram from Mr. Fitzsimmons to me which has been furnished to the Administrative Law Judge by a covering letter dated April 22,

1964. That portion of the telegram which refers to the IBT jurisdiction over the loading or unloading of LTL containers outside of the compound does not in any way contradict my understanding with Mr. O'Rourke or with Messrs. Hoffa or Fitzsimmons inasmuch as the shipping companies and stevedores, but not the consolidators, have been and are under an obligation to have LTL containers stuffed and stripped within the compound. Accordingly, to the extent that the consolidators have handled LTL cargo, that work necessarily must be performed by the consolidators' employees whatever their affiliations might have been. That cannot, however, affect the obligations of NYSA's members to abide by the terms of their agreement with us which has required that consolidated containers be stuffed and stripped at the piers by ILA labor.

I swear to the truth of the above statement.

(Sworn to by Thomas W. Gleason, Sr., May 6, 1974.)

Affidavit of Raymond J. Connors.

RAYMOND J. CONNORS, being duly sworn, deposes and says:

FIRST: I am a Container Investigator (Field Examiner) for the NYSA-ILA Container Committee, with offices at 17 Battery Place and 80 Broad Street, New York, New York 10004. In 1962 I held the same position in the employ of the Committee. It is my responsibility to investigate violations of the Rules on Containers and other contract requirements as established by contract or practice, between the ILA and the New York Shipping Association and its members. One of the violations which existed in 1962 was the intermittent failure of shipping companies to live up to their contractual obligation to have less-than-container-load containers, loaded at off-pier facilities, reloaded at the docks.

SECOND: In late 1961 or early 1962, it was brought to my attention by a steward employed by Sea-Land Services, Inc. at its Newark, N. J. terminal that a firm by name of Hasman & Baxt, with a terminal at South & Front Streets, New York, New York, was loading less-than-container-load cargo into Sea-Land containers backed up to a South Street warehouse. My investigation confirmed that this was an off-pier facility and that if any container being consolidated there with LTL cargo was not rehandled at the pier, a violation of our contract with NYSA was taking place. At the time that I investigated the alleged violation, I had a conversation with Mr. Joseph Lynch, a member of management of U. S. Trucking Corp. at the South Street facility. When I advised Mr. Lynch that his company was cooperating with Sea-Land in the latter's violation of our contract, he inquired as to the specifics of the violation. I explained to him, in detail, that the less-than-container-load cargo which was being processed at his

facility in conjunction with Sea-Land was supposed to be taken down by U. S. Trucking or other firms to the piers; then, under Sea-Land's contract with the ILA, members of the longshore and checker Locals were supposed to containerize that cargo. Accordingly, I stated that it was clear to me that Sea-Land was using the South Street Hasman & Baxt facility to avoid its commitments to ILA, by having its containers stuffed away from the piers and slipping them through undetected without rehandling. Mr. Lynch responded that he understood our position and stated that he would report our conversation to Mr. Margolis, an official of U. S. Trucking Corp. At no time during our conversation did I in any manner suggest, request or demand of Mr. Lynch—or ask him to convey to his superiors—any demand by the ILA—for representation of employees at Hasman & Baxt or U.S. Trucking Corp. or to obtain the work for ILA men of Hasman & Baxt's employees at the South Street facility. In that regard, I also informed him that the ILA had an agreement with the International Brotherhood of Teamsters requiring ILA to refrain from any organizational activities at off-pier terminals, particularly where the Teamsters already had contracts with the owners and lessees of those terminals. In the case of Hasman & Baxt, Local 807 was the representative of both the truckmen and platform workers.

THIRD: Following my investigation, a delegation of representatives of the ILA visited Mr. Percy Marcus, an official of U. S. Trucking Corp. The delegation consisted of myself, Fred Field, Jr., (an official of Local 856 and the New York District Council of the ILA) and Messrs. David Ahearn and Jerry Weir, delegates of Local #1, Clerks and Checkers, ILA. These individuals were particularly concerned over the effects on the dock-side employment of members of their and related Locals by the activities at the South Street warehouse.

FOURTH: Contrary to Mr. Marcus' statement in his recent affidavit, as well as in an earlier statement furnished the Board, at no time did Mr. Field or any other members of the delegation indicate directly or by suggestion that the ILA was seeking to represent Hasman & Baxt's or U. S. Trucking Corp.'s employees at the South Street facility or to perform any of the work at that location. Mr. Field advised Mr. Marcus that his company's containerization of cargo in the containers of shipping companies tended to preclude rehandling at the piers, thus leading to Sea-Land's violations of the rules and practices under the NYSA-ILA contract: Mr. Field demanded that Mr. Marcus' firm refrain from consolidating cargo into shipping company containers at the South Street facility unless they were reprocessed at the pier. Mr. Field and the other members of the delegation emphasized repeatedly that the practices at the South Street facility were denying consolidation work to longshoremen at the piers as well as to checkers and men in other related crafts because Sea-Land was not having the goods reloaded. Mr. Marcus responded that he would not discontinue consolidating LTL out-bound freight at South Street into Sea-Land containers. Mr. Field then stated that he would take care of the matter in his own way.

FIFTH: Accordingly, the following day, Mr. Field, to my knowledge without consulting with Mr. Gleason or any member of the Teamster organization, had two pickets posted at the South Street facility. These pickets bore informational signs, a copy of which has been appended to Mr. Field's affidavit. I am able to corroborate that this was the sign that was posted and carried by the pickets. I am unfamiliar with any sign referred to by Mr. Marcus in his affidavit which would indicate recognitional or organizational picketing, including markings of the names or identifications of any of the ILA Locals. Subsequently,

Mr. John O'Rourke, President of Joint Council #16, International Brotherhood of Teamsters, directly contacted Mr. Gleason. To my knowledge Mr. O'Rourke told Mr. Gleason that the ILA was not warranted in putting up a picket line for whatever purpose, informational or otherwise, without consulting with the Teamsters. Mr. Gleason concurred and had the picket line removed. It was removed pending further discussions between the representatives of the two unions. A few days later, Mr. O'Rourke met with Mr. Gleason in my presence together with Mr. Field, Mr. Ahearn, Captain Bradley and Mr. Weir. At that meeting, Mr. Gleason informed Mr. O'Rourke of the provisions of the ILA contract with NYSA, which included, as members, the steamship operators. Mr. O'Rourke agreed that the work of consolidating containers going aboard vessels belonged to the ILA. However, he made the point that the actual consolidation of the freight could still be performed by members of Local 807 at the South Street facility but that the loading into the containers must take place at the piers and that any containers of less-than-container-load cargo brought to the pier that might be processed at the South Street facility should be stripped at the pier by ILA deep-sea personnel. For a period of time thereafter, this rehandling by longshoremen at the piers was the practice with regard to the handling of LTL containers. At a subsequent time however (as the testimony in the Twin Express case in the District Court of New Jersey shows), the containers that were brought to the piers that were to have been stripped by longshore personel were in fact not stripped and that the subterfuge engaged in by employees of Sea-Land (changing seals, etc.) enabled U. S. Trucking and Sea-Land to avoid our agreement with the Teamsters and NYSA. It therefore follows that the availability of U. S. Trucking's trailers or trucks was entirely unrelated to the actual advantages to be

gained by Hasman & Baxt or by U. S. Trucking from the use of Sea-Land or any other shipping company containers.

In the course of my daily tour this date to investigate contract container violations, I learned that Transamerican Trailer Transport, Inc. since October, 1973 has laid off 75 dock workers including longshoremen and checkers. These men were engaged in the handling and rehandling of containerized cargo at the piers. In view of the outcomes of the cases in the District Court for the Federal District of New Jersey and the devious practices that were revealed in the course of the hearings in those matters, the conclusion is unavoidable that the current lay-offs were a direct result. They confirm Mr. Thomas Gleason's statements and forecasts in his initial affidavit to the Board on the effects of contract violations on the employment situation in the Port of New York and further are additional indications of the reality of Mr. Field's statements to Mr. Marcus as recited above.

SIXTH: I have read the foregoing statement consisting of this and five other pages and swear that it is true to the best of my knowledge and recollection.

(Sworn to by Raymond J. Connors, May 6, 1974.)

Attachment to Connors' Affidavit.

NYSA-ILA CONTAINERIZATION FUND
80 Broad Street
New York 4, N. Y.
WHitehall 3-2740
CAROL MASTERSON, *Secretary*

Progress Report—July, 1962

Raymond J. Connors

I was still having trouble collecting from Zim Line. I met with Capt. Kerr of John T. Clark and told him of all my past visits with the Line with no results. He admitted if Zim didn't pay they would be obligated to do so. In the meantime, I spoke of this matter with Mr. Rowan. He came up with the idea of sending one of the bills to American Israeli Line to the attention of Mr. E. Gruenhut, Treasurer. This was paid promptly so we mailed the remainder due and all have been subsequently paid.

Complaints:

1. Sealand—Mr. Joseph De Seplio, shop steward, at Sealand Term. at 19th Street complained that this platform was loaded with freight and Sealand was not sending containers for its removal and he was afraid that if they were not forthcoming longshoremen and checkers would have to be knocked off. In the meantime, Sealand was sending containers to a place on East 13th St., Collato Bros., and also to a warehouse owned by Hasman & Baxt. I called Mr. Wm. Burke at Sealand and asked him about this situation. He said they had been doing this but had since stopped. I decided to visit Collato Bros. and they claimed the number of containers issued had been cut down. I then met with Mr. F. Fields, Mr. J. Weir and Mr. D. Ahearn, delegates, and together we visited Hasman & Baxt. We saw containers there so we met with Mr. Marcus of

U. S. Trucking (who own Hasman & Baxt). We reminded him that we had been to him a couple of months previous on the same situation that is, containers being loaded by non-longshore labor and asked him why these conditions still existed. His answer was that after our last visit he had gotton in touch with Teamsters Local 807 and was told by them to pay no attention to the ILA. Mr. Fields informed him that he had "news" for the Teamsters. He was ready to put a picket line up if Sealand gave them any more boxes. Mr. Fields then called Mr. Hayes at Sealand about not giving out any more containers. The following day, Friday, a meeting was held in the ILA offices at 14th St. Present were Messrs. T. Gleason, W. Carr, J. Weir, F. Miskell, F. Fields, D. Ahearn, J. Leonardis, J. Hayes and W. Burke, dock boss at Sealand. It was pointed out to Mr. Hayes that the Labor Policy Committee of New York Shipping Assn. had handed down a decision that no more trucking forwarders within the 50 mile radius would receive any containers for consolidations. He was also informed about the contract that gave the checkers and longshoremen the right to load or strip these trucks. Mr. Hayes' comment was that the trucking forwarders would no longer get any containers.

After this meeting, somehow or other, Hasman & Baxt received another container and Local 856 put up a picket line. Mr. Gleason informed Mr. Fields he was wrong in this respect without first consulting with him, because the ILA and the Teamsters have always been close friends. What he should have done, said Mr. Gleason, was to inform Mr. J. O'Rourke of his problem and work it out from there. After one day the pickets were removed. A meeting has been planned to iron out this matter.

2. Pier 64—Complaint of Mr. J. Costellano was that Zim Line was sending out containers under two bills of lading to be stripped in warehouses. This complaint, how-

ever, turned out to be unfounded. Capt. Christopher of NYSA and myself were made aware that only one bill of lading under a manufacturers' label governed these containers.

Attachment to Connors' Affidavit.

NYSA-ILA CONTAINERIZATION FUND
80 BROAD STREET
NEW YORK 4, N. Y.
WHitehall 3-2740
CAROL MASTERSON, *Secretary*

Progress Report—August & September, 1962
Raymond J. Connors

I am combining my reports for August and September because my three weeks vacation occurred during these months and consequently, this report will be brief.

With reference to complaint #1 of my July report, I went to Sealand to see if they were living up to the decision made regarding Forwarders not receiving any more boxes. I spoke with Mr. Burke, dock boss, and he assured me that the trucking forwarders were not receiving any containers from Sealand.

A meeting was held this month with the I.L.A. & Delegates of various sections about giving the Forwarders containers but they would have to be stripped by ILA labor and reloaded again. This was agreed upon by all parties concerned.

I was informed this month that I was to attend all future meetings by the ILA trustees on the new contract should any questions come up regarding containerization.

Decision and Order of Administrative Law Judge Arnold Ordman.

Statement of the Case

ARNOLD ORDMAN, Administrative Law Judge: The four cases listed in the caption, all consolidated for the purposes of this proceeding, have been submitted, by agreement of the parties, for initial decision by this tribunal on the basis of stipulated records compiled in earlier and related court proceedings conducted in these matters, supplemented by later affidavits furnished by the parties. No testimonial hearing was conducted before me and no oral arguments were presented. However, able and comprehensive briefs and reply briefs have been filed by all parties dealing with the issues raised.

Cases Nos. 22-CC-541 and 22-CC-554 present the issue whether Respondent International Longshoremen's Association, AFL-CIO, herein called ILA, violated Section 8(b)(4)(ii)(B) of the National Labor Relations Act, as amended, by threatening and imposing fines upon employer-members of New York Shipping Association, Inc., herein called NYSA, with an object of compelling such employer-members to cease doing business with Consolidated Express, Inc., herein called Consolidated, and with Twin Express, Inc., herein called Twin.

Cases Nos. 22-CE-19 and 22-CC-20 present the issue whether Respondent ILA and Respondent NYSA violated Section 8(e) of the Act by maintaining and giving effect to provisions of their collective-bargaining agreements whereby NYSA and its employer-members agreed to cease doing business with Consolidated and Twin.

ILA and NYSA deny the commission of unfair labor practices.

Critical to the resolution of these issues is the underlying question whether ILA has a valid and legitimate claim, under the doctrine of work preservation, to certain

work being done by Consolidated and Twin in stuffing (packing) and stripping (unpacking) goods in large containers furnished to Consolidated and Twin by employer-members of NYSA and utilized for the shipment of such cargo by sea.

On the basis of the stipulated records and the supplementary affidavits and after careful consideration of briefs and reply briefs submitted by the parties, I make the following:

Findings and Conclusions

I. Jurisdiction

Consolidated and Twin, Puerto Rico corporations, have off-shore facilities within a 50-mile circle around the Port of New York where they are respectively engaged in the business of consolidating, containerizing and forwarding cargoes for shipment by sea and in removing incoming cargoes from containers. In the operation of their businesses, Consolidated and Twin, respectively, annually provide and perform services valued in excess of $50,000 in States and territories of the United States other than the State of New York.

Respondent NYSA has its principal office in New York City and is an incorporated association of employer-members who are engaged in various operations involved in the shipment of general cargo between the Port of New York and foreign countries or other States and territories of the United States. Employer-members of NYSA annually carry general cargo in interstate and foreign commerce valued in excess of $1,000,000.

Consolidated, Twin and NYSA are engaged in commerce within the meaning of Section 2(6) and (7) of the Act. I

find further that ILA is a labor organization within the meaning of Section 2(5) of the Act.

I conclude and find that it is proper to assert jurisdiction in these proceedings.

II. The Unfair labor Practices

A. Background and Clarification of the Issues

For many years the employer-members of NYSA have delegated to NYSA the authority to negotiate and enter into collective-bargaining agreements on their behalf on an association-wide basis with labor organizations which represent employees of the employer-members. Pursuant to such delegation NYSA has entered into agreements with ILA covering employees represented by ILA who work for NYSA members.

NYSA, in turn, has become a member of the Council of North American Shipping Associations, herein called Conasa, which is an association of NYSA and other like shipping associations operating along the Atlantic Coast from Boston, Massachusetts to Hampton Roads, Virginia. On or about 1970 Conasa was given the authority by its shipping association members to negotiate and enter into collective-bargaining agreements in their behalf on a master-contract basis with labor organizations representing employees in the shipping associations comprising Conasa. This authority was limited, however, to several key matters affecting terms and conditions of employment; other such matters continued to be covered in the separate agreements negotiated by the constituent association members of Conasa.

Among the key matters on which Conasa was authorized to, and did, negotiate agreements was containerization, a

subject matter which theretofore had been covered in the agreements negotiated by the constituent association members. That subject matter, as will appear herein, is critical in this proceeding.

For many years longshoremen represented by ILA and operating on the docks, including the docks of the Port of New York, have been handling all solid cargo moving over the docks on a piece-by-piece basis. In recent years, beginning with World War II and at an accelerated pace thereafter, the technique of containerization, i.e., the packing of cargoes into containers and then lifting the loaded containers onto ships specially constructed to carry such containers, has had an increasing impact on earlier work practices. The containers presently in use measure about 40 feet in length and a considerable amount of goods can be consolidated for shipment in such containers.

Containerization of cargo, instead of handling cargo piece-by-piece, is obviously a faster, more convenient and more economical method of loading cargo shipped by sea. By the same token containerization reduces substantially the number of jobs and the quantum of work available for longshoremen. In consequence, and quite foreseeably, differences arose in this regard between employers in the shipping industry, who welcomed the faster and more economical techniques of containerization, and ILA, which resisted the loss of work opportunity containerization caused among the longshoremen ILA represented. These differences were eventually compromised by agreements between NYSA and ILA, supplemented, when Conasa later appeared on the scene, by further agreements between ILA and Conasa.

In sum, ILA, on behalf of the longshoremen on the docks whom ILA represented agreed to yield, as it had from the very outset, any claim to stuff or strip containers where the contents consisted of United States mail, or household

furniture or military effects. Also relinquished was the claim to stuff or strip manufacturers' or shippers' loads, terms of art used to describe the situation where the beneficial owner of the entire contents of a container is a single manufacturer, shipper or consignee. About 80 percent of the containers passing through the Port of New York fell in these surrendered categories.

ILA insisted, however, on retaining the work of stuffing and stripping less-than-container load (LCL) or less-than-trailer load (LTL) cargo. This had reference to situations where goods coming from several shippers and/or destined for several consignees were consolidated into a single container for shipment. ILA insisted, and NYSA agreed, that all containers owned or leased by employer-members of NYSA, used for the shipment of LCL or LTL cargo, and coming from or going to geographical points within a 50-mile circle around the Port would be stuffed and stripped by the longshoremen whom ILA represented and who worked on the docks of the Port for the employer-member of NYSA owning or leasing the containers. If the stuffing of such containers had already been done upon arrival of the container on the docks preparatory to shipment, ILA insisted upon the right of its longshoremen to strip and restuff the contents of the container.

ILA contends that the conduct ascribed to it in the instant cases as constituting unfair labor practices was in actuality conduct directed against NYSA and its employer-members to insure that NYSA complied with its contractual commitments to ILA that the longshoremen on the docks continue to do the agreed upon portion of the work they had historically performed. Such conduct, ILA argues, as does NYSA, is primary lawful activity designed to achieve the legitimate objective of work preservation. The fact that such activity might have, or did have, ad-

verse consequences on neutral entities such as Consolidated or Twin would not, under controlling authority, convert such primary action into secondary action proscribed by Section 8(b)(4)(ii)(B) or Section 8(e) of the Act. *National Woodwork Manufacturers' Association, et al.* v. *N.L.R.B.*, 386 U.S. 612, 627 (1967).

As shown hereunder, Consolidated and Twin did suffer adverse consequences as a result of ILA's action in seeking to insure fulfillment of its contractual arrangements with NYSA and, later, with Conasa. Consolidated and Twin are operations which came into being after the advent of containerization. Consolidated began operations under its present name in 1965; Twin started its operations in 1967. Each is classified as a non-vessel operating common carrier (NVOCC) doing business under tariffs approved by the Federal Maritime Commission. Consolidated and Twin are not members of NYSA and are not affiliated with Conasa. Neither do they have or utilize employees represented by ILA.

The businesses of Consolidated and Twin, so far as here relevant, consist of trade between New York and Puerto Rico. So far as their respective New York operations are concerned, each has off-shore facilities located, as already noted, well within a 50-mile circle around the Port of New York. A primary function of Consolidated and Twin is to act as consolidators. As consolidators, their job is to receive at their off-shore facilities goods which their customers desire to ship and which consist, in the case of each individual shipment, of less than a container-sized or trailer-sized load. Consolidated and Twin, respectively, then consolidate, i.e., unitize, these shipments into containers and forward the loaded containers to steamship companies on the waterfront docks to be placed on ships sailing to the port of delivery. Conversely, containers of LCL

or LTL cargo arriving on incoming ships, after being unloaded from the ships, are transported to the off-shore facilities previously described where the containers are opened and the contents separated for delivery to the ultimate consignees. In a word, therefore, Consolidated and Twin, with respect to containers of LCL or LTL cargo, perform the stuffing and stripping functions which ILA claims.

The containers used by Consolidated and Twin for their operations are furnished to them by the steamship companies which do the actual transporting of the containers by sea. The steamship companies with which Consolidated does business and which are engaged in the New York-Puerto Rico trade are Sea-Land Service, Inc., herein called Sea-Land; Seatrain Lines, Inc., herein called Seatrain; and Transamerican Trailer Transport, Inc., herein called TTT. Twin utilizes the services only of Sea-Land and TTT; it does not utilize the services of Seatrain. Sea-Land, Seatrain and TTT all presently have pier facilities in the Port of New York where each employs longshoremen represented by ILA. Sea-land, Seatrain and TTT are also employer-members of NYSA and, so far as their longshoremen are concerned, are covered by ILA-NYSA and ILA-Conasa agreements.

It is manifest from the foregoing recitation that the interests of ILA on the one hand and Consolidated and Twin on the other, with respect to the handling of LCL and LTL cargo, are in sharp conflict. Consolidated and Twin assert their right to stuff and strip LCL and LTL cargo into containers furnished them by NYSA steamship companies without rehandling by ILA of such cargo when the containers appear on the docks. ILA, for its part, asserts that it has traditionally handled all cargo on the docks and cites also its contractual arrangements with

NYSA and Conasa that longshoremen employed by the employer-members of NYSA perform on the docks all stuffing and stripping work on containers owned or leased by NYSA members which hold LCL or LTL cargo and originate within a 50-mile circle around the Port of New York. As indicated, ILA insists that it is entitled, in situations where such containers have already been stuffed prior to their arrival on the docks for sea shipment, to strip and restuff such containers.[1] To the extent that ILA's position in this regard would be honored, much of the value of the services Consolidated and Twin render their customers would be nullified and the profitability of their enterprises endangered. This, indeed, as more specifically detailed hereunder, was the consequence of the ILA and NYSA conduct under attack here.

General Counsel takes the position, supported by Consolidated and Twin in the respective cases, that the real and primary target of ILA's action and of the challenged agreements between ILA and NYSA was Consolidated and Twin, and that ILA's real objective was to obtain the stuffing and stripping work which these enterprises were performing for the dock employees whom ILA represents. To this end, they argue, ILA was bringing pressure upon employer-members of NYSA as neutral or secondary employers to cease doing business with Consolidated and Twin in order to achieve ILA's objective of getting for its own longshoremen the work Consolidated or Twin were doing. ILA's claim that the longshoremen on the docks of the Port of New York were entitled to that work as a matter of historical tradition and by contract and that it

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[1] It should be noted at this point that no problem arises with respect to the work of placing loaded containers aboard ships or removing them from ships. That work is concededly assigned to, and performed by, ILA-represented longshoremen.

was engaged in the lawful and primary activity of work preservation is discounted on the ground that Consolidated and Twin had consistently been performing that work for some years without obstruction from ILA longshoremen and that ILA and its longshoremen had effectively surrendered their right or claim to the work which ILA now claims it is entitled to preserve or recapture.

The disposition of the contested issues presented in the four cases comprising this proceeding turns on an appraisal of the merit of these opposing arguments in the light of the evidence submitted. The relevant evidence will be summarized hereunder following an exposition of the procedural posture of the instant proceeding.

B. The Procedural Posture of the Instant Proceeding

The chronology of this proceeding begins on June 1, 1973. On that date Consolidated filed unfair labor practice charges against ILA in Case No. 22-CC-541 and against ILA and NYSA in Case No. 22-CE-19. Pursuant to these charges General Counsel issued a consolidated complaint, dated August 23, 1973, alleging that ILA had engaged in a secondary boycott in violation of Section 8(b)(4)(ii)(B) of the Act (Case No. 22-CC-541) and that ILA and NYSA together had maintained and given effect to "hot cargo" agreements in violation of Section 8(e) of the Act (Case No. 22-CE-19).

In the interim General Counsel, pursuant to Section 10(1) of the Act also initiated a proceeding before the United States District Court for the District of New Jersey asking for appropriate injunctive relief against ILA and NYSA pending final adjudication by the Board of the issues presented in the consolidated complaint. Extensive

proceedings were conducted before Judge Frederick B. Lacey, covering a period of 7 days between August 20 and August 31, 1973, in which General Counsel, Consolidated ILA and NYSA participated. 1169 pages of testimony were taken and voluminous exhibits were introduced into evidence.

Judge Lacey issued his decision, reported at 364 F. Supp. 205, on September 18, 1973. In that decision, which contains a comprehensive and articulate presentation of the relevant evidence and controlling authorities, Judge Lacey noted the restrained and limited role assigned to the district court in matters of this kind. Under the statutory scheme the determination of the merits of the controversy is for the Board. "The court's sole functions are to determine whether the Board had reasonable cause to believe that the violations charged have been committed and, if so, whether the granting of equitable relief is 'just and proper,'" 364 F. 2d, (*sic*) at 216. Proceeding from this premise and recognizing the existence of disputed factual issues as well as novel applications of established legal principles, Judge Lacey nonetheless concluded that the legal theory advanced by the General Counsel could not be regarded as "insubstantial and frivolous" and that on this criterion there was "reasonable cause to believe" that the charged violations did occur. 364 F. Supp., at 217. Judge Lacey further concluded that under all the circumstances equitable relief was just and proper, and granted the temporary injunctions sought against ILA and NYSA.

The Court of Appeals for the Third Circuit, on December 20, 1973, affirmed Judge Lacey's decision without published decision. 491 F. 2d 748.

Late in October 1973, following the issuance of Judge Lacey's decision, all parties to the consolidated complaint in Cases Nos. 22-CC-541 and 22-CE-19, pending before the

Board, agreed to submit the cases on a stipulated record to a duly-designated Administrative Law Judge of the National Labor Relations Board for initial decision and recommended order, reserving the right to file briefs before the Administrative Law Judge. The stipulated record consisted of the charges and pleadings in the consolidated cases together with the transcript of testimony and all exhibits received in evidence in the district court proceeding before Judge Lacey.

On November 7, 1973, the undersigned, having been duly designated as Administrative Law Judge, issued a telegraphic directive to the parties to file memoranda addressed to the questions whether critical question of credibility were posed in the stipulated record and, if so, whether such questions could be resolved without hearing and observing the witnesses. Memoranda filed in response to this directive were in accord that a hearing to resolve such evidentiary conflicts as existed would serve no useful purpose. Accordingly, on November 30, 1973, the undersigned issued a further directive dispensing with any further evidentiary hearing and directing the parties to file briefs as to the merits of the cases.

Crossing in the mails with this November 30 directive was a motion, also dated November 30, 1973, by Local 807, International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, herein called Local 807, to intervene in the proceeding initiated by Consolidated's unfair labor practice charges. The grounds for intervention urged by Local 807 were that it presently represents the employees of Consolidated assigned to the work in dispute; that prior to August 1973 it represented the employees of U.S. Trucking Company which had been doing the disputed work for Consolidated under contract with the latter; and that the interests of the employees

Local 807 represented would be directly affected by the outcome of the instant cases.[2]

While this motion was pending and awaiting ruling, Cases No. 22-CC-554 and 22-CE-20, the third and fourth cases named in the caption, became ripe for Board consideration. Except for the fact that Twin, instead of Consolidated, was the Charging Party, the latter two cases are a virtual replay of the earlier two cases. Twin filed its unfair labor practice charges against ILA and against ILA and NYSA in the respective cases on November 2, 1973. As had been the situation with the charges filed by Consolidated, General Counsel, here too, issued a consolidated complaint alleging, on the basis of an almost identical fact pattern, that ILA had violated Section 8(b)(4)(ii)(B) of the Act (Case No. 22-CC-554) and that ILA and NYSA together had violated Section 8(e) of the Act (Case No. 22-CE-20). The complaint in these two cases was dated January 3, 1974, and on January 11, 1974 General Counsel moved to consolidate all four cases for decision, predicating that motion on the circumstances that the named Respondents were the same and that the critical facts and legal issues were for the most part common, to the extent not identical, in all four cases.

Respondents ILA and NYSA opposed both the motion of Local 807 to intervene in Cases Nos. 22-CC-541 and 22-CE-19, and the motion of General Counsel to consolidate all four cases for decision. However, on January 23, 1974, the undersigned granted both motions, essentially for the reasons stated in the motions.

In the meantime, General Counsel had, as in the earlier cases involving Consolidated, initiated proceedings in the

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[2] Local 807 explains its somewhat tardy motion for intervention on its assertion that it learned of the instant proceeding only after publication of Judge Lacey's decision in the injunctive proceedings.

United States District Court for the District of New Jersey in which it sought similar temporary injunctive relief in the cases involving Twin. District Court proceedings in this matter were conducted, again before Judge Lacey, on January 29, February 5 and February 6, 1974, with General Counsel, ILA, NYSA and Twin participating. Again, extensive testimony was taken and numerous exhibits were introduced into evidence. Judge Lacey issued his decision in this matter on April 19, 1974. *Balicer, etc.* v. *International Longshoremen's Association and New York Shipping Association,* Docket No. 1155-73, reported at 86 LRRM 2559. After summarizing the relevant evidence Judge Lacey, applying essentially the same criteria and authorities he had previously applied, concluded that for purposes of the proceeding before him, there was reasonable cause to believe that the charged violations had been committed and that the grant of equitable relief in the form of a temporary injunction was just and proper. *Ibid.*

Contemporaneously with the proceeding before Judge Lacey in the two cases involving Twin, efforts were made at the agency level to accelerate the administrative proceedings in the now-consolidated four cases. The undersigned conducted a pretrial hearing in Newark, New Jersey on March 20, 1974, with all parties represented, devoted solely to the purpose of clarifying and/or narrowing the issues and/or exploring procedures to expedite resolution of those issues. Renewed requests by ILA and NYSA at this hearing to deny intervention to Local 807 in Cases Nos. 22-CC-541 and 22-CC-19 and to withdraw the order consolidating all four cases were rejected. The pretrial hearing, however, failed to resolve the disagreement among the parties as to whether, in view of the intervention and consolidation, an evidentiary hearing would be required at the administrative level.

That disagreement was resolved shortly thereafter. In April 1974 all parties entered into a Stipulation, approved by the undersigned, that all four cases named in the caption be submitted to the undersigned "for decision and recommendations to the Board as to findings of fact, conclusions of law and order . . . ." It was further agreed that the record upon which the "decision and recommendations" would be based would consist solely of the relevant pleadings, the Stipulation, and the entire records in both injunction proceedings before Judge Lacey. In addition, provision was made for Local 807, as intervenor in the cases involving Consolidated, to submit affidavits as its presentation of evidence and for Respondents to submit reply affidavits. Right was reserved by all parties to file appropriate motions or objections in this regard. Provision was also made for all parties to submit briefs and, subsequently, reply briefs to the undersigned. The earlier stipulation entered into in late October 1973 with reference to the cases involving Consolidated only was superseded.

During the course of the next few months ending in July 1974 the affidavits and counter-affidavits permitted by the Stipulation were filed. Submitted also, as previously noted, were briefs and reply briefs by the several parties. As agreed by the parties, no evidentiary hearing was conducted before the undersigned.

This summarizes the procedural posture of the instant proceeding and the basis upon which the instant decision is predicated.

C. The Relevant Evidence; Subsidiary Findings

The changing technology brought about by containerization has had a marked impact on employment conditions and employment opportunities both on and off the water-

front. The situation in this regard in New York and in the Port of New York is not atypical.[3]

As previously noted, virtually all solid cargo moving over the docks in the Port of New York had for decades been handled on a piece-by-piece basis by longshoremen and employees in related crafts who worked on the docks and were represented by ILA. Typically, that work included the preparation of cargo for shipment by the making up and loading of cargo on drafts, pallets and boxes for export, and the breaking down of such cargo from incoming ships for delivery to the consignees. The existence of a tradition that ILA longshoremen and employees in related crafts did such work is not essentially challenged.

After World War II the use of wooden boxes of about 8 cubic foot content for the shipment of certain loose cargo came into vogue. This technique had no appreciable impact on the longshore industry, however, and longshoremen continued generally their handling of all cargo moving over the docks.

As the years went on, these wooden boxes were supplanted by metal containers of larger and larger size and in due course ships known as containerships specifically designed to carry these large containers or trailers came into common use. Standard cargo ships were also adapted to carry containers. The containers presently utilized measure in the 35 to 40 foot category and are a major component in the transportation of cargo by sea. The record evidence is undisputed that containerization of cargo is an efficient, fast and, from the point of view of the shipping

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[3] See generally, Ross: *Waterfront Response to Technological Change: A Tale of Two Unions,* Labor Law Journal, July 1970, pp. 397-419. The impact of containerization in the Pacific Coast ports of the United States is described in *ILWU, et al. and Pacific Maritime Association,* 208 NLRB No. 130, 85 LRRM 1300 (Feb. 1974).

industry, an economical technique for handling the shipment of goods. By the same token, it is also established and undisputed that containerization reduced substantially the need for longshore and other labor required before the advent of containers.

1. Disputes between NYSA and ILA over the use and handling of containers; contractual arrangements between ILA and NYSA

As soon as containerization became a significant factor in the shipping industry, NYSA and ILA became embroiled in controversies on that subject matter which controversies, as shown, *inter alia,* by the instant proceeding, have not yet abated. Generally speaking, NYSA has pressed for the free use of containers without restriction or limitation by ILA. ILA, for its part, has sought and is still seeking, in behalf of the longshoremen it represents, to cushion the adverse effect of containerization upon the quantum of work the longshoremen have traditionally performed in the handling of cargo passing over the docks.

Thus, in 1958 ILA perceived the potential threat to longshore work implicit in containerization which was beginning to make inroads on the handling of cargo for sea shipment. Although the containers then in use were mostly of Dravo size (8 cubic feet), ILA protested that, *pro tanto,* the amount of work performed by longshoremen on the old piece-by-piece loading system was being cut back. Grievances were filed and strike action was taken by ILA against NYSA and, as a result a compromise was reached in a 1959 agreement between ILA and NYSA. Section 8 of the 1959 Memorandum of Settlement entitled "Containers-Dravo Size or Larger" provided:

> a. Any employer shall have the right to use any and all type of containers without restriction or stripping by the union.

> b. The parties shall negotiate for two weeks after the ratification of this agreement, and if no agreement is reached shall submit to arbitration . . . the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor, such submission to be within 30 days thereafter.
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> c. Any work performed in connection with the loading and discharging of containers for employer members of NYSA which is performed in the Port of Greater New York whether on piers or terminals controlled by them, or whether through direct contracting out, shall be performed by ILA labor at longshore rates.

There is substantial conflict in the record as to the correct legal interpretation of the foregoing language. Witnesses proffered by Respondents before the District Court testified that the intent of the parties to the agreement was to insure that consolidation of LTL cargo or LCL cargo be performed by longshoremen on the waterfront. General Counsel, on the other hand, adduced evidence to establish that the import of the language of the agreement was that there would be no restriction on the handling of LTL or LCL containers except that royalty payments would be paid on such containers not originally handled by ILA, and that NYSA members and their subcontractors would utilize longshoremen on the docks to consolidate their own LTL or LCL cargo. Without laboring the point or detailing the considerable testimony and other evidence elicited in this regard, it is plain that the several clauses above-quoted are analytically vulnerable to different interpretations.

The critical question on this facet of the case, however, is whether these clauses reflect a traditional practice on the part of ILA longshoremen, at or about the time of

the 1959 agreement, of doing the consolidation work on LTL or LCL cargo. Judge Lacey, who heard the witnesses, addressed himself to this precise issue in his opinion in the Consolidated injunction case and concluded (364 F. Supp. at fn. 5) that this was a disputed fact which the Board would have to resolve. Not having heard the witnesses, and on the basis of a cold record, I find myself unable to resolve the conflicts in the evidence bearing on this question. However, with all due deference to Judge Lacey, I think it unnecssary to resolve the conflict. Whatever the precise scope of the quoted clauses, it is clear that ILA was in 1958 and 1959 concerned about the inroads made into its workload by the then incipient and modest containerization effort and was taking steps to abate that threat. More to the point, the 1959 Agreement establishes, at the least, that ILA was not abandoning its claim to work which it had formerly done and which now was being handled in part by containerization.

The less than precise language of the 1959 Agreement gave rise, as might have been anticipated, to substantial and recurrent disputes during the ensuing years as to who was to do particular consolidation work. Work stoppages took place. In 1967 the first fully containerized ship designed to carry large containers was introduced into the North Atlantic trade and there was mounting concern among the longshoremen as to the impact on their jobs. Accordingly, ILA formulated its demand that longshoremen stuff and strip all containers without exception. NYSA countered with a demand that all existing restrictions on the movement of containers be eliminated. Bargaining negotiations, generally, foundered. A 57-day strike ensued and a Presidential Board of Inquiry was appointed. Ultimately the differences between the parties were resolved and ILA and NYSA entered into their 1968 col-

lective-bargaining agreement. The 1968 agreement was actually executed in February 1969.

With respect to the problems of containerization, the 1968 agreement spelled out for the first time detailed provisions covering this subject matter. These provisions were denominated as Rules on Containers and with later changes, which will be noted, continued to appear in subsequent collective bargaining agreements. Following an opening statement which recites the intention of the parties "to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts at deepsea piers and terminals," the Rules on Containers provided, so far as relevant here:

Rule 1. Definitions and rule as to containers covered.

> Stuffing—Means the act of placing cargo into a container.
>
> Stripping—Means the act of removing cargo from a container.
>
> Loading—Means the act of placing containers aboard a vessel.
>
> Discharging—Means the act of removing containers from a vessel.

These provisions relate solely to containers meeting each and all of the following criteria:

> (a) Containers owned or leased by employer-members (including containers on wheels) which contain LTL loads or consolidated full container loads.
>
> (b) Such containers which come from or go to any person (including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including

a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo.

(c) Such containers which come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

Rule 2. Rule of stripping and stuffing applies to such containers.

A container which comes within each and all of the criteria set forth in Rule 1 above shall be stuffed and stripped by ILA longshore labor. Such ILA labor shall be paid and employed at longshore rates under the terms and conditions of the General Cargo Agreement. Such stuffing and stripping shall be performed on a waterfront facility, pier or dock. No container shall be stuffed or stripped by ILA longshore labor more than once. Notwithstanding the above provisions, LTL loads or consolidated container loads of mail, of household goods with no other type of cargo in the container, and of personnel (*sic*) effects of military personnel (*sic*) shall be exempt from the rule of stripping and stuffing.

Rule 3. Rules on No Avoidance or Evasion.

* * * * *

(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation

of the contract. If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay, to the joint Container Royalty Fund liquidated damages of $250 per container which should have been stuffed or stripped. Such damages shall be used for the same purposes as the first Container Royalty is used in each port. If any carrier does not pay liquidated damages within 30 days after exhausting its right to appeal the imposition of liquidated damages to the Committee provided in (g) below, the ILA shall have the right to stop working such carrier's containers until such damages are paid.

* * * * *

The import of the foregoing language was quite plain. With certain exceptions previously described herein, ILA represented longshoremen working on the docks were to stuff and strip LCL and LTL cargo in containers owned or leased by NYSA members and originating within a 50-mile circle around the port. Breach of these provisions called for liquidated damages to be imposed upon the offending carrier in the amount of $250.

Nonetheless, disputes concerning the proper application of the Rules on Containers continued and $250 penalties under the Rules were imposed. In 1970, by agreement between ILA and NYSA, liquidated damages for violations of the Rules on Containers were increased from $250 to $1000. This change proved ineffective also. ILA continued to complain to NYSA that the Rules were being violated and additional damages were imposed, predicated now on a $1000 basis. A major source of ILA's complaints during this period was that consolidators and truckers were doing

work which was clearly within the jurisdiction of the ILA under the contract.

The disputes culminated in a meeting held in Dublin, Ireland, between representatives of ILA and representatives of Conasa on behalf of its employer-association members, including NYSA. The purpose of the meeting was to obtain enforcement of the Rules on Containers. On January 29, 1973, ILA and Conasa entered into a supplemental agreement, herein referred to as the Dublin Supplement. The Supplement provided so far as pertinent here:

> Enforcement of Rules on Containers.
>
> * * * * *
>
> 1. (a) All outbound (export) consolidated or LTL container loads (Rule 1 containers) shall be stripped from the container at pier by deepsea ILA labor and cargo shall be stuffed into a different container for loading aboard ship.
>
> 1. (b) All inbound (import) consolidated or LTL cargo (Rule 1 containers) for distribution shall be stripped from the container and the cargo placed on the pier where it will be delivered and picked up by each consignee.
>
> 2. No carrier or direct employer shall supply its containers to any facilities operated in violation of the Rules on Containers including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder who is either a consolidator or a distributor. No carrier or direct employer shall operate a facility in violation of the Rules on Containers which specifically require that all con-

tainers be stuffed or stripped at a waterfront facility (pier or dock) where vessels normally dock.

A list shall be maintained of consolidation and distribution stations which are operated in violation of the Rules for the information of all carriers and direct employers. Any container consolidated at or distributed from such facilities shall be deemed a violation and subject to the rules on stuffing and stripping.

* * * * *

The evidence in the record amply supports a finding, and I so find, that following the execution of the Dublin Supplement on January 29, 1973, ILA has threatened to assess, and has assessed, liquidated damages against employer-members of NYSA, including Sea-Land, Seatrain and TTT for violations of the Rules on Containers. The assessments imposed by ILA, calculated at the rate of $1000 per container, add up to substantial figures. The result of the assessments and the threat of further assessments is that Sea-Land and TTT ceased furnishing Consolidated and Twin with containers necessary for the operation of their businesses and Seatrain engaged in like conduct with respect to Consolidated. The alternative for the three shipping companies was to continue furnishing the consolidators with their containers which on arrival at the piers would have to be stripped and restuffed at the expense of the shipping companies. As a result Sea-Land and Seatrain completely ceased doing business with Consolidated before the end of March 1973 and Sea-Land ceased furnishing containers to Twin. TTT continued to do business with Consolidated and Twin but only by furnishing them with "foreign" trailers (which did not carry TTT's name) and even these trailers were stripped and restuffed by ILA labor at the piers.

In addition, pursuant to the last paragraph of Section 2 of the Dublin Supplement, the NYSA-ILA Contract Board, the administering body under the collective-bargaining agreement, issued a notice to all NYSA members, dated April 13, 1973, announcing that NYSA carriers had been assessed liquidated damages for violations of the Rules on Containers in that containers had been stuffed and stripped at the premises of 14 employers named therein. Consolidated and Twin were among the 14 employers named.

2. The operations and history of Consolidated

As already indicated, Consolidated began its operations in 1965. At that time it took over certain of the operations of a preexisting company, Valencia-Baxt, which had been engaged for many years prior thereto in furnishing the kind of services which Consolidated rendered. Judge Lacey concluded that on the basis of the evidence presented before him, "the Board could find, within the 'reasonable cause' formulation of § 10(1), [Consolidated] to be a de facto and de jure successor to Valencia-Baxt insofar as its marine cargo business is concerned" (fn. 2 of the Judge Lacey opinion in the *Consolidated* case (364 F. Supp. 205)). Applying the criteria for a finding under Section 10(e) of the Act rather than the criteria of Section 10(1), I doubt the sufficiency of the evidence to warrant a finding of successorship. On the other hand, I do find that insofar as Consolidated handled and containerized cargo for sea shipment from New York to Puerto Rico, it was performing functions which had previously been performed by Valencia-Baxt at the time of the takeover by Consolidated and in substantially the same manner.

Consolidated, like Valencia-Baxt, operated as a consolidator, containerizing LCL or LTL cargo for shipment to Puerto Rico from its facility which at the time relevant here was located in Maspeth, New York within a 50-mile circle around the Port of New York. During all the times here pertinent and, indeed, until as late as August 1973 Consolidated had no trucking employees of its own but, like Valencia-Baxt, contracted with U.S. Trucking Company to do all the packing, loading and delivery work in, and to and from, its Maspeth facility and the Port of New York. The employees of U.S. Trucking Company are represented by Teamsters Local 807. In August of 1973, after the critical events here in controversy, Consolidated terminated its arrangement with U.S. Trucking Company and now does the work with its own employees who are presently represented by the same Local 807.

Consolidated, as also already noted herein, is not a member of the NYSA. As is manifest from the foregoing recitation, the work which Consolidated was doing, i.e., consolidating LCL or LTL cargo in containers leased to it by NYSA members fell precisely within the boundaries of the work described in the 1968 ILA-NYSA agreement and in later agreements. ILA, pursuant to its work preservation contention, claims this work under its contractual arrangements and also under its tradition of always having handled such work long before specific contractual arrangements therefor.

General Counsel, and Consolidated in its own behalf, contend that whatever the validity of ILA's claim under contract or under tradition, Consolidated has in fact from its very beginnings consolidated LCL and LTL cargo at its own premises and transported it in containers to the Port of New York for shipment to Puerto Rico without any interference of any consequence from ILA in the way

stripping or restuffing by ILA deepsea labor. In a word, Consolidated argues that it has its own tradition, virtually unbroken over a period of years, of doing its own containerization of LCL and LTL cargo.

Considerable evidence was adduced by Respondents ILA and NYSA in an endeavor to show that ILA-represented deepsea labor, longshoremen and related crafts, did over the years regularly strip and restuff Consolidated's LCL and LTL containers when they arrived at the docks. ILA also argues that to the extent this was not done, the omission was because deceptive action was taken to conceal from ILA that containers not stripped and restuffed by ILA did not fall in the category of work to which ILA was entitled or to indicate that the stripping and restuffing by ILA deepsea labor had already been performed.

On the other hand, persuasive and cogent evidence was adduced by General Counsel to show that with a few acknowledged exceptions Consolidated's containerized shipments over the years went through the Port of New York and were loaded for shipment without interference by ILA in the way of stripping or restuffing. Moreover, ILA's argument that this was attributable in large part to deceptive practices designed to keep ILA unaware of what was really going on is not, on all the evidence of record, very persuasive.

A recitation here of the conflicting evidence is not required. Judge Lacey, in his opinion in the Consolidated injunction proceedings (364 F. Supp. 205) ably reviews that evidence in detail and makes recapitulation unnecessary here. Upon my own independent review of that evidence, supplemented by other evidence furnished in the consolidated proceedings pending before me, I conclude and find that the preponderance of the evidence, testimonial and documentary, establishes that, with a few exceptions noted hereunder, Consolidated containers passed over

the docks without rehandling by longshoremen on the docks.[4]

The exceptions to Consolidated's handling of its own containerization work without interference by ILA are not in dispute. Roy M. Jacobs, co-owner, executive vice-president, and chief operating officer for Consolidated in the United States, admitted that Consolidated's containers were subjected to stuffing and stripping in 1966 or 1967, about a year after Consolidated began its operations. This stuffing and stripping took place at both Sea-Land and Seatrain, the only two carriers engaged in the Puerto Rican trade at that time, and continued for a period of about 3 weeks.[5]

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[4] In this connection it is noteworthy that in the briefs submitted to me, NYSA and ILA are considerably less vigorous than they were at the hearings before Judge Lacey in the claims that ILA longshoremen regularly stripped and restuffed Consolidated containers. On pp. 5-7 of its main brief, NYSA argues merely that the documentary evidence of the various carriers indicated that containers of both Consolidated and Twin were being stuffed and stripped by ILA deepsea labor. NYSA then argues that whether the containers were actually being stuffed and stripped was not "the crucial factor." In NYSA's view the documents do establish the knowledge of the parties that ILA deepsea labor should have stuffed and stripped the containers in question. As NYSA states (Br. 6), "The existence of these documents, not their accuracy, is the crucial factor." ILA in its main brief (pp. 9-10, 45, 56) explains the substantial "slippage" of containers through the Port on the basis of "longstanding deceptions, payoffs and misrepresentations" designed to keep ILA ignorant of the fact that its work was being siphoned away. In its reply brief (p. 5) ILA states that it "does not have the effrontery to claim to have handled or rehandled the work of third parties (i.e., cargo consolidated by the Charging Parties)." Again, ILA alludes to "underhanded practices."

[5] Significantly, this stuffing and stripping took place about 2 years before the Rules on Containers were first codified in the 1968 NYSA-ILA agreement. As NYSA and ILA argue, this tends to confirm their contention that ILA had even before the 1968 agreement claimed and exercised the right to strip and restuff containers loaded with LCL or LTL cargo when such containers were brought to the docks.

Jacobs also admitted that at the end of 1968 he was advised by various people in the steamship companies that containers holding LTL or consolidated cargo would have to be stuffed and stripped at the piers. According to Jacobs, however, he was also told at the same time that this should be of no concern to him or to others in his type of business. Nevertheless in 1971, 2 years before the Dublin Supplement was executed, Consolidated's containers were again stuffed and stripped at the piers. According to Jacobs, he was told that though written contract rules required this procedure there was an understanding that the procedure would not apply to his enterprise and that the "heat" would soon be off, "not to worry about it."

Apart from these exceptions, it is apparent, however, that, generally speaking, throughout the period under consideration here, the containers loaded by Consolidated went through the Port of New York without interference. But it is equally apparent that Jacobs was aware from 1966 or 1967 that ILA claimed, and occasionally exercised, the right to strip and stuff Consolidated containers. More importantly, Jacobs was admittedly later made aware that under contract rules containers holding LCL and LTL cargo had to be stripped and stuffed at the piers. He relied, however, on assurances that there was an understanding or "quasi-contract" that these rules would not be applied to Consolidated. As noted, in practice these rules were not so applied.

The situation in this regard changed dramatically in 1973 following the execution of the Dublin Supplement. Jacobs was informed by representatives of the three carriers with which Consolidated did business of the Dublin meeting and the rules there adopted to put teeth into the stripping and stuffing provisions of the earlier NYSA-ILA

agreements. Beginning in early February Sea-Land, followed thereafter by Seatrain and TTT, began stripping Consolidated's containers. This time the situation did not "blow over." In March 1973, pursuant to paragraph 2 of the Dublin Supplement Sea-Land stopped supplying containers to Consolidated. Later that same month Seatrain took the same action. TTT adopted a different tactic; it ceased furnishing Consolidated containers marked with the TTT name but instead supplied "foreign" trailers acquired from railroad pools. ILA, nonetheless, continued to stuff and strip these "foreign" trailers.

The adverse impact of this situation upon the business of Consolidated is amply established by the evidence contained in the record and I find, as did Judge Lacey, that it was substantial.

3. The operations and history of Twin

The situation respecting Twin is quite parallel to that respecting Consolidated and is set forth in the decision of Judge Lacey in the injunctive proceedings in the *Twin* case, reported at 86 LRRM 2559. Again, recapitulation will be avoided and only the relevant differences will be noted.

Twin was organized and did business in substantially the same manner as Consolidated. Twin, however, did not begin its operations until 1967 and, unlike Consolidated, did not take over the work of a former enterprise. During the period from March 1967, when Twin began its operations, until 1969 when Twin moved to its current Manhattan address, Twin used the services of independent trucking companies to perform its stuffing and stripping operations and its delivery of containers to and from the piers. The employees of these trucking companies were not organized

or represented. Since its move to Manhattan, Twin has hired employees of its own to perform stuffing, stripping and delivery operations, supplementing their efforts, as needed, with the services of independent trucking companies. Since September 1970 Twin's employees have been represented by Teamsters Local 707.

Since Twin began its operations in 1967 and until 1973 Twin, generally, either through the use of independent trucking companies or through the use of its own employees, performed its own stuffing and stripping operations without ILA interference. As with Consolidated, there were exceptions to their general practice. For two brief periods in 1968 and 1971 Twin's containers were stripped and restuffed at the piers by ILA personnel.

Like Consolidated also, Twin was aware as early as 1968 that its right to stuff and strip containers without interference by ILA was under challenge. As noted, its containers were subjected to ILA stuffing and stripping in 1968. Inasmuch as the 1968 NYSA-ILA agreement of 1968 containing a codification of the Rules on Containers was not executed until February of 1969, Twin was aware even prior to that agreement that ILA claimed the work in question.

Following the execution of the Dublin settlement, Twin was subjected to the same pressures and tactics as Consolidated. ILA threatened to assess, and did assess, penalties in the form of liquidated damages upon the member companies of NYSA who did business with Twin in violation of ILA's agreements with NYSA and Conasa. Twin was also listed in the notice issued by the NYSA-ILA Contract Board,[6] dated April 13, 1973, to all NYSA members which announced that carriers had been assessed liquidated

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[6] The Contract Board was also entrusted with the responsibility of administering the Rules on Containers.

damages for violations of the Rules on Containers stuffed or stripped at the premises of 14 named employers. Twin, like Consolidated, was one of the named employers. The result of these pressures was that Twin's business relationships with the carriers it utilized was brought to a virtual halt and its continued operation endangered.

D. Analysis and Conclusionary Findings

1. The disputed issue

The ultimate questions to be decided here are (1) whether, as alleged in the consolidated complaints, ILA engaged in a secondary boycott in violation of Section 8(b)(4)(ii)(B) of the National Labor Relations Act, as amended; and (2) whether, as also alleged, ILA and NYSA together entered into and maintained in effect a hot cargo agreement proscribed by Section 8(e) of that Act.

The area of controversy among the parties as set forth in Section II A of this Decision is really quite narrow. Essentially, it is whether ILA's activities and the agreements between ILA on the one hand and NYSA and Conasa, as representative for NYSA, on the other, all relating to the objective of having ILA-represented longshoremen on the docks stuff and strip NYSA owned or leased containers of LCL and LTL cargo, were primary in nature and protected under the Act, or whether that activity and the cited agreements had secondary objectives and, hence, were illicit and proscribed by the Act.

If the latter, then it is plain—no one argues to the contrary—that the requirements necessary to establish a violation of Section 8(b)(4)(ii)(B) and 8(e) of the Act are satisfied.

The primary-secondary determination, in turn, hinges on whether ILA was engaged in legitimate work preserva-

tion efforts or whether work preservation was merely a facade behind which ILA was promoting efforts to obtain work of Consolidated and Twin to which it was not rightfully entitled.

If it is established that the real target of ILA's activity was NYSA and the preservation of work to which ILA represented employees working in the Port of New York were entitled as a matter of historical tradition and contractual arrangement, then it is clear that, under well settled principles, both the activity and the contractual arrangements are primary and immune from statutory sanctions under the Act. Nor would the fact that Consolidated and Twin suffered severe economic consequences convert that primary activity into activity with a secondary objective.

If, on the other hand, ILA had no paramount claim to the work it sought, then the real targets of its actions, on the evidence here disclosed, were Consolidated and Twin. ILA's pressures upon NYSA members would then be plainly secondary and proscribed by Section 8(b)(4)(ii)(B). By the same token, the contractual arrangements here challenged would be secondary in nature and violative of Section 8(e) of the Act.

None of the parties takes fundamental issue with this analysis. The controlling principles are, of course, laid down in *National Woodwork Manufacturer's Association, et al.* v. *N.L.R.B.*, 386 U.S. 612, decided by the Supreme Court in 1967, the lead case in this area. Recapitulation of the analysis and holdings in that decision would be superfluous here.

It is wholly appropriate, therefore, to turn directly to the critical issue, hotly disputed by the parties, namely, whether ILA's activities and its contractual arrangements were genuinely directed to the legitimate objective of work

preservation, as ILA and NYSA urge, or whether as General Counsel and the Charging Parties earnestly contend, the real target of ILA's activities and its contractual arrangements with NYSA was to obtain work which belonged to Consolidated and Twin and for which ILA had no legitimate or supervening claim.

The question is, essentially, one of fact. The guiding principle for that factual determination, as all parties acknowledge, was also laid down in *National Woodwork*. Here, as in that case, the determination whether the contested contractual clauses and their enforcement violated Section 8(e) and Section 8(b)(4)(ii)(B) of the Act

> cannot be made without an inquiry into whether, under all the surrounding circumstances,[28] [ILA's] objective was preservation of work [for the employees of NYSA whom ILA represented] or whether the agreement and boycott were tactically calculated to satisfy union objectives elsewhere.

386 U.S., at 644. "The touchstone is whether the agreement or its maintenance is addressed to the labor relations of the contracting employer *vis-a-vis* his own employees." *Id.*, at 645.

With shrewd prescience the Court noted, "This will not always be a simple test to apply." A plethora of cases, decided by the Board and the federal appellate courts since *National Woodwork*, confirms the accuracy of the Court's prediction. The parties in this proceeding each

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[28] As a general proposition, such circumstances might include the remoteness of the threat of displacement by the banned product or services, the history of labor relations between the union and the employers who would be boycotted, and the economic personality of the industry.

find ready precedents to support their respective positions and, in turn, each finds the other's precedents quite distinguishable. My own review of the many precedents cited satisfies me that the differing results in those cases turn fundamentally on the appraisal by the deciding tribunal of the particular facts of each case. This, of course, is a necessary and foreseeable result of the test laid down in *National Woodwork.*

This case, too, must be decided on its own facts.

2. The work in controversy

At the outset, it is essential to define with some precision the work in controversy since that is the predicate upon which the issue of work preservation must turn.

Historically, to be sure, longshoremen as a practical matter handled virtually all solid cargo moving over the docks on a piece-by-piece basis. Viewed in isolation, this would, to be sure, establish an historical tradition upon which ILA could predicate a continuing claim of entitlement to the continued handling and "unitizing" of such cargo. However, the advent of containerization, beginning about World War II and growing at a significant rate during the past few decades, cannot be overlooked. As already set forth, containerization became a hotly disputed issue between ILA and NYSA from the very outset. Understandably, NYSA fought for unrestricted use of containers without limitation and ILA resisted the obvious encroachment which containerization threatened upon the quantum of work available for the dock workers it represented.

Over the years compromises have been made between NYSA and ILA, the contracting parties, on this subject

matter.[7] Thus, ILA has expressly and under contract surrendered its jurisdiction to stuff and strip containers containing shippers' loads, previously described herein, or containers originating outside a 50-mile circle around the Port of New York, or containers containing military or household effects. Concededly, ILA has thus surrendered its claim to stuff and strip about 80 percent of the containers passing over the docks. ILA insists, however, that it has never surrendered its jurisdiction to stuff and strip containers containing LCL or LTL cargo and its present agreements with NYSA and Conasa expressly assert that jurisdiction. Even in this limited area, however, ILA's claim is further circumscribed. Its jurisdiction is asserted only with respect to those LCL or LTL containers "owned or leased" by members of NYSA with which ILA has a bargaining and contractual relationship. In this sense, therefore, the area of work in dispute is quite narrow.

3. The "conflicting" traditions

Respondents, preliminarily, take the broad position that, historically and long before the advent of containerization, longshoremen and related crafts working on the docks of the Port of New York and represented for many years by ILA, "unitized" cargo which passed over the docks. Inasmuch as containers are merely another form for "unitizing" cargo, the claim is that ILA has an unbroken tradition in that regard. More particularly, however, as ILA asserts in its main brief (p. 23), [t]he crux of ILA's

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[7] It can fairly be anticipated that improved technology combined with other economic and sociological factors will bring about further compromises in this area. That, however, is not a problem presented here.

position has been and remains that since (ILA) longshoremen have always stuffed and stripped containers, ILA retains the right to assert its jurisdiction to preserve such work for the longshoremen at the pier or dock.'"[8] While quarreling with the conclusion in the quoted statement, neither General Counsel nor the Charging Parties challenge the proposition that ILA did containerization work on the piers.[9]

Both General Counsel and the Charging Parties formulate the issue differently. In their view the argument of tradition advanced by Respondents is misdirected. Rather, they contend, the focus of the dispute is the work being done by Consolidated and Twin. As General Counsel argues in its main brief (at p. 42):

> Whether or not longshoremen represented by ILA and employed by Respondent NYSA's members have

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[8] The evidence in the record as to stuffing or stripping of containers by ILA longshoremen on the docks of New York is relatively sparse in an otherwise voluminous record. However, that sparseness is quite explicable because apart from the issue as to whether containers brought to the docks by consolidators such as Consolidated and Twin were stuffed or stripped by ILA longshoremen, no one challenged that ILA longshoremen did stuff and strip containers on the docks. The record does show that NYSA companies did have numerous longshoremen on their payrolls designated for stuffing and stripping work as well as for loading containers aboard ship and unloading them from ships.

[9] In the *Consolidated* case before Judge Lacey, General Counsel made reference to "two parallel methods of operation . . . the containerization operations that have proceeded for many years at the premises—at the off-pier premises of various consolidators, such as Consolidated Express, Inc. and then there was a parallel interest of the ILA which originated on the piers." In the same proceeding, counsel for Consolidated took the position that the issue presented was, in effect, whether ILA could take stuffing and stripping work away from the employees of Consolidated Express because longshoremen did a great deal of that kind of work themselves.

historically merely loaded and unloaded containers onto and from vessels or stuffed and stripped containers which were being consolidated by members of Respondent NYSA on their own account, is immaterial for, as shown, such work is separate and distinct from the work here in dispute and has been so regarded by both Respondents NYSA and ILA. Nor is it relevant in other situations involving other employers that Respondent ILA might be deemed to have a legitimate work preservation object in connection with containerization work affecting other employers outside the bargaining unit. For here "the precise work which is the focus of the dispute" is the work historically performed by Teamster employees or unrepresented employees in other units under a separate collective bargaining agreement and at [Consolidated's] and [Twin's] respective off pier premises. [Citing *International Longshoremen's Association (U.S. Naval Supply Center)*, 195 NLRB 273 (1972); *International Longshoremen's and Warehousemen's Union* (California Cartage, et al.), 208 NLRB No. 130, 85 LRRM 1300 (1974).]

In my view neither Respondents nor General Counsel and Charging Parties frame the issue here presented correctly. Rather, both beg the question. Certainly, it does not follow that because ILA has always stuffed and stripped containers, it may always and forever continue to assert its jurisdiction over all such work. Settled authority vindicates the right of a union to preserve work which has been in its domain and which it has not lost or abandoned. But certainly, ILA in view of its history would not be able to reassert jurisdiction, for example, over the stuffing and stripping of containers containing shippers'

loads after having expressly and explicitly abandoned that jurisdiction.

Similarly, General Counsel unduly constricts the issue by framing it in terms of stuffing and stripping work "performed by Teamster employees or unrepresented employees in other units under a separate collective bargaining agreement at [Consolidated's] and [Twin's] respective off pier premises." Work preservation agreements usually come into being because the work sought to be protected has been subjected to invasion or threat of invasion by others. Thus, in *National Woodwork* itself, the carpenters employed by the employer refused to install precut doors unless the doors were cut on the jobsite by the carpenters themselves. The carpenters had traditionally performed that work themselves. Yet, obviously the employees of the door manufacturers who comprised the National Work Manufacturers Association did that work also. Had the Supreme Court focused on the work being done by the employees of the door manufacturers at the latter's plants, as General Counsel urge be done here with respect to the operations of Consolidated and Twin, then obviously the Supreme Court would have reached a different result in *National Woodwork.* Indeed, the legitimacy of a work preservation objective would be virtually precluded in any situation where it could be established that other employees at other sites were doing or had done the work for which protection was being sought.

Rather, the issue here in the view of the undersigned is whether ILA, on behalf of the longshoremen it represented on the docks of the Port of New York, had lost or abandoned its jurisdiction over the work of stripping and stuffing NYSA owned or leased containers originating in the prescribed area around the Port of New York and containing LCL or LTL cargo, or whether its work history and

the surrounding circumstances generally warranted its efforts to preserve or recapture that work.

4. The "surrounding circumstances"

Before finally resolving that issue, consideration must be given to the "surrounding circumstances" set forth in *National Woodwork,* namely, the threat of displacement by the banned product or services, the history of labor relations between the Union and the employers who would be boycotted, and the economic personality of the industry.

Little need be said to clarify the record evidence as to the threat of displacement by the banned product or services or as to the economic personality of the industry. Even without reference to the record, common knowledge and common experience attest to the fact that the impact of containerization and other technology has had a dramatic and provocative effect on the industry resulting in repeated instances of labor strife and work stoppages. In addition, the need for labor, both on-pier and off-pier, has declined drastically and this has further exacerbated labor disputes.

Even as to instant dispute the threat of displacement by the banned product or services is graphically demonstrated in the record. Whatever the ultimate decision in the instant case, it is apparent that enterprises like Consolidated and Twin in the instant case, doing the work of consolidation and operating in the immediate area of ports where cargo is shipped or received, have had a surge of growth in recent years.[10] As is also demonstrated in the instant record, much of the work consolidators, like Consolidated and Twin, have been doing in recent years has

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[10] At least 14 such independent consolidators were named in the notice issued by the NYSA-ILA Contract Board on April 13, 1973.

consisted in the "unitizing" of LCL and LTL cargo and the stripping of that cargo in and from containers owned by, or leased to them, by NYSA carriers. If that work continues, the availability of that kind of work for ILA-represented employees on the docks is substantially diminished and, indeed, the record demonstrates that this has already occurred. On the other hand, if that work falls under the rubric of work preservation, as urged by Respondents, then the adverse impact, also demonstrated in this record, upon that portion of the operations of Consolidated, Twin and other similarly situated consolidators is equally apparent.

The third "surrounding circumstance" alluded to in *National Woodwork* has reference to the history of labor relations between the union and the employers who would be boycotted. In the context of the instant record, this element of the case furnishes more direct insight into the critical question posed by *National Woodwork,* namely, whether "the agreement and boycott were tactically calculated to satisfy union objectives elsewhere" or whether, as alternatively phrased, "the agreement or its maintenance is addressed to the labor relations of the contracting employer *vis-a-vis* his own employees.

On this aspect of the case, the preponderance of the evidence in the record satisfies me, and I find, that the agreement and its maintenance were fundamentally directed to the labor relations between the employer-members of NYSA and ILA. The conflict between NYSA and ILA over containerization began with its emergence and continued without break thereafter. ILA dreaded the loss of employment which containerization foreboded for the longshoremen and related craftsmen whom it represented on the docks; NYSA employer-members for obvious economic reasons welcomed this work saving development.

These competing interests were adjusted but, as the evidence establishes, ILA continuously protested to NYSA that the latter's employer-members were not respecting the jurisdictional segments of containerization work to which ILA and NYSA had agreed. The consequence was, as already noted, a tightening up of the controlling regulations culminating in the ILA-Conasa Dublin Settlement.

The only protests and demands by ILA in this regard were addressed to NYSA. The record is devoid of any evidence that ILA ever made any direct demands upon Consolidated or upon Twin. Indeed, Consolidated and Twin acknowledge the absence of such demands. ILA did not seek to represent their employees or ask that they retain ILA-represented employees on their payroll.[11] So far as ILA was concerned, its sole demand was that the longshoremen on the docks perform the work of stuffing and stripping LCL and LTL containers owned or leased by NYSA employer-members It was wholly immaterial to ILA, where that work was being done elsewhere, whether employees represented by other unions or unrepresented employees were doing the work, as in the case of Consolidated and Twin, or whether as in *Intercontinental Container Transport Corp.* v. *NYSA* and *ILA,* 426 F. 2d 884 (C.A. 2, 1970), that work was being done by ILA-represented employees working under a different collective-bargaining agreement. In both situations ILA's protest was that work was being siphoned away which

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[11] Evidence is presented in the record as to a single incident as early as 1961 or 1962 when, according to General Counsel and the Charging Parties, ILA sought to organize the employees of U.S. Trucking Company. ILA argues that its activity at that time was only informational, and not for recognition. The evidence is insufficient to resolve the true nature of that activity which occurred more than 20 years ago and, in any event, resolution of that matter would not be of any great significance here.

under its historical tradition and contractual arrangements belonged to the employees of NYSA employer-members working on the docks.

In sum and on this state of the record I conclude and find that the boycott and agreements here challenged were addressed to the labor relations of NYSA members vis-a-vis their own employees.

5. The "loss or abandonment" contention

Notwithstanding the foregoing finding, I believe it appropriate to consider also the contention that ILA's conduct and its agreement with NYSA were nonetheless tactically calculated to satisfy ILA objectives elsewhere. As *National Woodwork* establishes (386 U.S., at 645) there need not be an actual dispute with Consolidated and Twin for ILA's activity to fall within a prohibited secondary category. The question still remains whether ILA had abandoned or lost its jurisdiction over the work in dispute here. Such loss or abandonment would preclude the reassertion of a paramount jurisdiction and would compel the inference that the real objective of ILA was to take away from Consolidated and Twin work which the latter were rightfully performing.

It is a matter of record that from the advent of containerization ILA claimed jurisdiction over the stuffing and stripping of containers as part of its tradition of "unitizing" cargo. As already noted, the precise extent to which ILA reserved its jurisdiction to stuff and strip containers in the 1959 agreement cannot be resolved here. But, certainly, it is clear that in ILA's view and in NYSA's view, as parties to that agreement, ILA did not surrender or abandon that jurisdiction. More importantly,

it is clear that both Consolidated and Twin were aware throughout the period of their operations that ILA was claiming jurisdiction over the work they were performing and that NYSA acknowledged that jurisdiction.

Thus, Consolidated was admittedly subjected to the stuffing and stripping of its containers on the docks by ILA personnel in 1966, about a year after Consolidated officially began its operations. This occurred during the pendency of the 1959 agreement and over 2 years before NYSA and ILA explicitly codified the Rules on Containers in their 1968 agreement. At the end of 1968, but before execution of that agreement which took place in February 1969, CEI was informed by officials of NYSA steamship companies that under existing rules all containers of LTL or consolidated cargo had to be stuffed and stripped on the docks. Twin was also aware of this state of affairs. Its containers were also stuffed and stripped on the docks by ILA personnel before execution of the 1968 agreement. The 1968 agreement, of course, codified the Rules on Containers explicitly and left no question as to ILA's continuing claim to recognition. Another instance of ILA rehandling of Consolidated's and Twin's containers occurred in 1971.

To be sure, notwithstanding this continuing claim and but for the few exceptions already noted, the record is clear, as hereinbefore found, that, generally speaking, Consolidated and Twin stuffed and stripped containers furnished them by NYSA carriers for LCL and LTL cargo without rehandling by ILA longshoremen. This continued until execution of the ILA-Conasa Dublin Supplement when the actions here challenged took place. Yet the fact that this pattern of events occurred does not, in and of itself establish that ILA had abandoned or surrendered

its jurisdiction.[12] As was the case in *National Woodwork* and in other legitimate work preservation cases, it is not at all unusual that more than one entity performs or has performed the work in dispute. This is particularly true where, as in the instant case, the work in dispute is only a portion of the operations of the two entities. Thus, here the stripping and stuffing was only part of the longshoremen's functions and, in the case of Consolidated and Twin, much of their operations consisted of receiving cargo from individual shippers and delivering cargo to individual consignees together with services incidental to these functions, an area of activity never sought by the ILA.

On the totality of the evidence I cannot find that ILA abandoned or surrendered its jurisdiction over the stuffing and stripping of LCL or LTL cargo in containers owned or leased by employer-members of NYSA with whom ILA had a bargaining and contractual relationship. Concededly ILA, like NYSA, was considerably less than vigilant in asserting and insisting upon ILA's prerogative in this regard. The fact is, however, and I find that it did throughout the entire period here under consideration press its claim in this regard upon NYSA, the contracting employer.

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[12] Documents introduced into evidence by Respondents, consisting of dock receipts and tally sheets purported to indicate that ILA had rehandled Consolidated's containers on the docks. These documents had reference only to the latter months of 1972. I conclude, as did Judge Lacey, that the purported rehandling did not take place, and, indeed, Respondents do not presently argue to the contrary. On the other hand, the very fact that such documents were kept in the regular course of business is cogent evidence that the jurisdiction of ILA to engage in such rehandling was acknowledged not only by ILA but also by the NYSA employer-members for whom the documents were prepared as part of their office records.

Any conclusion that ILA's activities were tactically calculated to achieve ILA objectives elsewhere can only be premised on the proposition that Consolidated and Twin were adversely affected, insofar as the stuffing and stripping portion of their overall operations were concerned. This, however, was an inevitable result of ILA's pressure upon NYSA with whom it had its contractual and bargaining relationship and does not, as *National Woodwork* established, convert primary action into action with a secondary impact.

5. The cited precedents

As previously noted, each side to this controversy cites a number of precedents from the plethora of cases dealing with secondary boycott and hot cargo situations. Because these cases turn largely on their individual facts, they are of minimal aid in this situation. But all parties place special emphasis on a selected few of these cases and brief reference to these selected cases is warranted.

General Counsel and the Charging Parties place special emphasis on *International Longshoremen's Association (U.S. Naval Supply Center)*, 195 NLRB 273 (1972), and *International Longshoremen's and Warehousemen's Union (California Cartage Company)*, 208 NLRB No. 130, 85 LRRM 1300 (Feb. 1974).

The *Naval Supply Center* case involved an allegation of a Section 8(b)(4)(B) violation only. In significant respects the situation there was quite similar to the situation presented in the instant proceedings; in other significant respects it differed. The facts in *Naval Supply Center* showed that the Supply Center was engaged in Norfolk, Virginia in the receipt, storage and transshipment of ocean cargo through the Ports of Hampton Roads, Virginia. For more than 30 years it had shipped from and received at its

own docks U.S. Department of Defense break-bulk cargo by either commercial vessels or Department of Defense vessels. Supply Center's own employees, represented since 1946 by IAM, performed the loading or unloading of break-bulk cargo at the Supply Center's docks. Since 1967, however, the Supply Center has also shipped Department of Defense cargo by containers owned by ocean-going companies. The containers were stuffed by the Supply Center's own employees at its own docks and then trucked to commercial terminals in the ports of Hampton Roads where they were put aboard ship by ILA-represented employees of stevedoring companies. ILA had a 1968 agreement with the Hampton Roads Maritime Association, the counterpart of NYSA here. Naval Supply Center was not a member of that Association. Nevertheless, ILA invoked a clause of its agreement which provided, also as here, that containers, owned or leased by employer-members of the Association, with exceptions like those in the instant cases, were to be stuffed and stripped by ILA longshore labor. In December of 1970 ILA informed Association members that it would demand liquidated damages in the amount of $1,000 from Association members for each container such member permitted to be stuffed or unstuffed by Supply Center employees, and further threatened to refuse to handle the particular containers involved. A few months later ILA reiterated its threats and "also demanded all work involved in the loading at the Supply Center of commercial ships owned and controlled by signatories to the ILA contract under threat of refusing to load cargo when the ships called at other commercial ports" (195 NLRB, at 273). ILA also took further action to implement these demands. Upon these facts, essentially, the Board found a violation of Section 8(b)(4)(B).

Concededly, the facts in *Naval Supply Center* are quite similar to those presented here. But there are marked

and pivotal differences. The Supply Center had always and exclusively handled break-bulk cargo at its own docks with its own employees; only container cargo was shipped to commercial terminals in the ports of Hampton Roads where ILA personnel operated. Yet, ILA not only demanded all work at the ports of Hampton Roads in the handling of containers owned and controlled by signatories to its contract with the Association; ILA also demanded all work involved in loading ships at the Supply Center, a separate area, an area where ILA-represented personnel had never operated and to which "the charter jurisdiction of ILA . . . had not in practice been extended" (at 274). As the Board correctly observed, Naval Supply Center could only meet with ILA's demands "if the U.S. Navy were to replace its own employees represented by the IAM with ILA members" (*ibid.*). Accordingly, the Board concluded, the U.S. Navy was really the primary employer and the victim of a secondary boycott. It was in this connection that the Board carefully noted "that the restrictive provisions in the ILA-Association collective-bargaining contract . . . may in other circumstances have valid work preservation objectives [citing *Intercontinental Container Transport Corporation, supra,* 429 F. 2d 884]," but that this principle could not be "used as a shield for conduct aimed not at work preservation but at acquisition of work historically performed by employees in another work unit" (*ibid.*).

As indicated earlier, nothing in the instant case suggests —indeed, the contrary is shown—that ILA sought to replace with its own personnel the employees who did the work for Consolidated and Twin at their respective sites. In fact, as the Intercontinental case demonstrates, ILA in the New York area resisted the siphoning off of work from its longshoremen on the dock area even where the off-port enterprise doing the work employed ILA-represented personnel.

Decision and Order of Administrative Law Judge Arnold Ordman.

The recent decision of the Board in the *California Cartage* case, *supra,* which involved alleged violations of both Section 8(b)(4)(B) and Section 8(e), is particularly emphasized by General Counsel and the Charging Parties. There the union involved was International Longshoremen's and Warehousemen's Union (ILWU) and the contracting employer association was Pacific Maritime Association. On the Pacific coast, like the Atlantic coast, the advent and growth of containerization raised serious problems of accommodation on the waterfront and, as here, so there, compromises were made in agreements consummated between ILWU and PMA. As the *California Cartage* decisions demonstrates, however, the approach of ILWU differed from that of ILA and that difference found expression in the ILWU-PMA agreements.[13]

Without recounting all the facts of *California Cartage* in detail inasmuch as they for the most part parallel the facts in the instant cases, the critical facts upon which the Board apparently predicated its decision should be noted. In 1960 ILWU and PMA entered into a Modernization and Mechanization Agreement. Under that Agreement PMA members gained the right to use new equipment to increase productivity and improve methods for cargo handling. In addition, as the Board found (sl. op., p. 4), the Agreement provided that:

> In the future, non-longshoremen delivering merchandise to the dock would not be required to place the cargo on 'the skin of the dock' to be reloaded by other longshoremen on other pallets for loading aboard ship.

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[13] A more extensive and detailed discussion of the different approaches to the containerization problem made by the ILA on the east coast and by ILWU on the west coast may be found in the article by Professor Ross, "A Tale of Two Unions," cited at fn. 3 of this Decision.

> *It was agreed that the Union would divest itself of this type of work and longshoremen would load truckers' pallets with the merchandise directly on the ship. Cargo could be unitized in one way or another . . . boxed, crated, banded, glued, or palletized in large or small containers.* [Emphasis supplied.]

In return for the relinquishment by ILWU of the work it formerly did, it was agreed, *inter alia,* that PMA members would establish and did establish a substantial mechanization fund to be used for longshoremen's pensions, retirement and unemployment.[14]

As the Board further found (sl. op., p. 6), containerization grew in the decade of the 1960's and ILWU became unhappy with the concessions it had made in the 1960 Agreement. In 1970 and 1972 ILWU sought and obtained supplemental agreements with PMA providing, in effect, that all stuffing or unstuffing of containers to be loaded on or unloaded from ships docking in the Pacific Coast ports, except for shippers' loads and door-to-door deliveries, was to be performed by ILWU personnel.

In sum, the Board concluded in the *California Cartage* case that Section 8(b)(4)(B) and Section 8(e) had been violated. The Board rejected the claim that stuffing and unstuffing containers was traditionally unit work and that the attempt to preserve or reclaim that work for ILWU-represented employees was primary lawful activity under *National Woodwork.*

The Board recognized, of course, that the loss of work on the docks due to containerization was "certainly a matter of legitimate concern to the ILWU" (sl. op., p. 7). Nonetheless, the Board rejected the claim of work preser-

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[14] In the instant cases the record shows that ILA in 1964 obtained a Guaranteed Annual Wage arrangement from NYSA.

vation. The Board said (*ibid.*):

> Initially, it is clear from the language of the Supplements that the ILWU's claim to container stuffing work is not limited to work generated by members of PMA, *but extends broadly to all containers entering or leaving Pacific coast docks, whether or not the owners of the containers are members of PMA and statutory employers of employees within the longshore unit represented by ILWU.* [Emphasis supplied.]

The Board also made special note of the fact that "[t]o a large extent the make-work rights claimed by longshoremen with respect to cargo placed on the dock were effectively bargained away in 1960.[15]

In view of the foregoing the extent to which *California Cartage* is precedent for the position of General Counsel and the Charging Parties in this case is, at best, speculative. While it is urged here that the 1959 agreement between ILA and NYSA was the equivalent of the ILWU-PMA agreement of 1960 and that ILA in its 1959 agreement bargained away the rights of its longshoremen to containerization, that conclusion is obviously not apparent from the ambiguous wording on the face of the 1959 agreement. Moreover, ILA and NYSA did not consider this to be the case, and Consolidated and Twin were apprised almost from the beginning of their respective operations that this was not the case. Certainly, unlike the situation in *California Cartage*, the instant proceedings do not present a situation where the Union bargained away certain rights in an agreement and, 10 years later, belatedly

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[15] This included, as shown above, not only the cargo put into containers but also break-bulk cargo which was "boxed, crated, banded, glued or palletized . . . ."

reasserted them. In the instant cases ILA, although altogether laggard in protecting its jurisdiction to the containerization work under consideration, never abandoned that jurisdiction. And, further ILA, unlike ILWU, never sought to obtain the work of stuffing all containers passing through the Port of New York but only the work of stuffing containers owned or leased by NYSA members, employers of employees in the dock personnel unit represented by ILA. In these circumstances the value of *California Cartage* as precedent for the instant case is substantially diluted. Rather, what is really reflected here is the different approaches toward containerization adopted by ILWU on the west coast and by ILA on the east coast. See, again, Ross: *A Tale of Two Unions, supra,* nn. 3, 13.

Respondents for their part place strong reliance for vindication of their position on the decisions, *inter alia,* in *International Container Transport Corporation* v. *New York Shipping Association, Inc. and International Longshoremen's Association,* 426 F. 2d 884 (C. A. 2, 1970), herein referred to as the *ICTC* case, and in *American Boiler Manufacturers Assn.* v. *N.L.R.B.,* 404 F. 2d 547 (C.A. 8, 1968), cert. denied, 398 U.S. 960 (1970), affirming the Board's decision reported at 167 NLRB 602 (1967).

In the *ICTC* case the specific Rules on Containers incorporated in NYSA-ILA 1968 agreement here involved came under attack. There, the plaintiff an independent consolidator, like Consolidated and Twin here (except that plaintiff's employees were represented by ILA in a separate collective-bargaining unit), brought a civil action against ILA and NYSA alleging that the enforcement of the Rules on Containers and the imposition of $250 penalties for breach of these rules constituted a violation of the Sherman

Act. The Court rejected this claim. Although General Counsel and the Charging Parties correctly point out that the *ICTC* suit was an antitrust action and not an unfair labor practice proceeding under the National Labor Relations Act, the Court's opinion and decision cannot be wholly discounted on this ground. Citing the *National Woodwork* decision of the *Supreme Court,* the Second Circuit ruled, consistent with uniform Board authority, that "the preservation of jobs is within the area of proper union concern (426 F. 2d at 887)," and held further that "[u]nion activity having as its object the preservation of jobs for union members is not violative of antitrust laws" (*id.,* at 887-888, citing in this regard *Amalgamated Meat Cutters* v. *Jewel Tea Company,* 381 U.S. 676 (1965)). The Court pointed out, in addition, that the case before it was not a situation where the containerization provisions of the collective-bargaining agreement were the kind of combination between union and employers condemned in *Allen Bradley Co.* v. *Local Union No. 3,* 325 U.S. 797 (1945). Rather, the Court held that this was a situation where ILA, acting solely in its self-interest, forced reluctant employers to yield to its demand that ILA-represented employees retain the work specified in the Rules on Containers. Accordingly, the Court's conclusion was that the challenged clauses were within the labor exemption to the antitrust laws. *Id.,* at 888. At the very least, therefore, it would appear that, on facts quite like those in the instant proceedings, the Court of Appeals for the Second Circuit, applying such authorities as *National Woodwork* and *Jewel Tea,* concluded that the Rules on Containers in the 1968 agreement were the product of ILA's efforts for "the preservation of work traditionally performed by longshoremen covered by the agreement." *Id.,* at 887.

While the *ICTC* decision is, of course, not controlling here, neither, in my view, can it be disregarded.[16]

American Boiler, supra, is cited to establish the proposition that work preservation rules may be used not only to preserve work, but to reacquire work which has been siphoned away. Essentially, it is cited in response to the contention that because Consolidated and Twin have regularly stuffed and stripped LCL and LTL cargo into and from containers owned or leased by NYSA carriers, Consolidated and Twin have a parallel tradition in that regard, ILA-represented employees no longer can claim exclusivity in the performance of that function, and, hence, work preservation is not a legitimate justification for the conduct and agreements here challenged. See footnote 9, *supra.*

American Boiler, as shown by both the Board and Court decisions therein, plainly rebuts this contention. In that case a "fabrication" clause was negotiated by a pipefitters' union after packaged boilers with trim piping attached, became dominant, thereby eliminating a very substantial portion of the work done by the employees whom the union represented at jobsites. Packaged boilers by 1963 accounted for between 60 percent to 85 percent of all boiler installations. The "fabrication" clause provided that all fabrication be performed at the jobsite, thereby reacquiring or recapturing work which had previously been done there but now was incorporated in packaged boilers which

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[16] Respondents also cite an administrative determination made in 1970 by a Regional Director of the Board and upheld on appeal by the Office of the General Counsel not to issue a complaint in a situation which, so far as appears, might be parallel to the instant cases. For obvious reasons and on settled authority, such an administrative determination or determinations are neither relevant to, or in any way dispositive of, the issues here presented.

required virtually no assembly at the jobsite. Both the Board and the Court agreed that the "fabrication" clause was legal and that the sole objective of the union in obtaining agreement to the clause was "to preserve and to reacquire such work for the unit employees of the contracting employers." 167 NLRB at 603. The fact that 60 percent to 85 percent of the packaged boilers had been regularly assembled by employees of manufacturers located elsewhere was not dispositive. The "fabrication" clause, the Board held, with court approval, "met the 'touchstone' of being 'addressed to the labor relations of the contracting employer *vis-a-vis* his own employees,' and the evidence does not show that the tactical object of the clause was the packaged boiler manufacturers or any other secondary employers." *Ibid.*

The Court, in affirming the Board, noted that a work preservation clause may be used both "to preserve work currently being performed by unit members and to reacquire that portion lost . . ." 404 F. 2d 554.

American Boiler furnishes solid support for Respondents' position insofar as it effectively repudiates the proposition that exclusivity of performance is a prerequisite to a claim of work preservation or that work siphoned away, even in substantial amounts, cannot be reacquired or recaptured. The Board has consistently rejected such claims. On the other hand, it does not follow, nor has it been held, that a work preservation clause can be validly used to obtain work which the unit employees had never performed or work which may have been performed but has been completely lost before the work preservation clause is negotiated. *California Cartage,* among other decisions, is to the contrary.

As indicated in the four cases here discussed, each of the decisions turns on its own facts. As stated earlier, the same can be said of the many other cases cited by the

parties to this proceeding. Extended discussion of all those cases would serve no useful purpose.

7. Summation

The decision in the consolidated cases presented here must be made on the evidence presented here. As *National Woodwork* dictates, the critical determinant is whether ILA's objective was preservation of work for the employees it represented on the docks of the Port of New York, or whether the agreements and boycott were tactically calculated to satisfy ILA's objectives elsewhere—in the context of the instant case, to obtain the work being done by Consolidated and Twin at their respective premises. Phrased another way, were ILA's boycott and its agreement addressed to the labor relations of the employer-members of NYSA *vis-a-vis* their own employees? Necessarily involved herein also are subsidiary questions such as whether ILA can be said to have lost or abandoned its jurisdiction over the work in controversy. If it has, then its conduct here, like the conduct of ILWU in *California Cartage,* falls within the ban of Section 8(b)(4)(ii)(B) and Section 8(e). If it has not, then I am satisfied that, like the pipefitters union in *American Boiler,* ILA is entitled to recapture or reacquire the work in controversy to the extent it has been siphoned away. The hurt caused thereby to Consolidated and Twin does not convert legitimate primary activity into activity with a proscribed secondary objective. *National Woodwork,* 386 U.S., at 627.

A great deal of evidence, oral and documentary, voluminous in scope, has been adduced by the parties and has been summarized herein. The burden of establishing the violations alleged in the consolidated complaints rests, of course, upon the General Counsel. On the basis of the whole record, and on the basis of the subsidiary findings

and analysis hereinbefore set forth, I find that the preponderance of the evidence does not warrant a finding that ILA violated Section 8(b)(4)(ii)(B) of the Act, or a finding that ILA and NYSA violated Section 8(e) of the Act. More specifically, I find that the preponderance of evidence in the record fails to establish that ILA ever abandoned, lost, or surrendered its jurisdiction over the work in controversy. I find further that ILA's objective at all times relevant was to preserve the work in question for the NYSA employees it represented on the docks of the Port of New York and ILA's boycott and its agreements were addressed to the labor relations of the employer-members of NYSA *vis-a-vis* their own employees.

Accordingly, I conclude that the consolidated complaints in the instant proceeding should be dismissed.[17]

Conclusions of Law

1. New York Shipping Association, Inc., Consolidated Express, Inc. and Twin Express, Inc. are employers engaged in commerce within the meaning of Section 2(2), (6) and (7) of the Act.

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[17] While not material in the light of this disposition, reference should be made to the defense, urged by Respondents and limited to the two cases in which Twin is the Charging Party, that the consolidated complaints are time-barred by the 6-month limitation of Section 10(b) of the Act and that the doctrine of laches should also be applied here. I find the defense as to Section 10(b) and laches to be wholly without merit. In the Twin Express proceeding before Judge Lacey, the parties stipulated that subsequent to May 2, 1973, the date 6 months before the filing of unfair labor practice charges by Twin, stipulated damages were imposed by ILA against TTT for violations of the Rules on Containers. These damages, had reference to violations relating to Twin as well as to others. This continuing enforcement of the Rules on Containers would, if the Rules were otherwise unlawful, defeat any contention that the existence of the Rules more than 6 months before the filing of charges prevented the application of the unfair labor practice provisions of the Act. The defense of laches is, of course, not available on settled authority to suits brought by the United States or any of its agencies to enforce a public right.

2. International Longshoremen's Association, AFL-CIO, is a labor organization within the meaning of Section 2(5) of the Act.

3. The preponderance of the evidence in the record does not support a finding that International Longshoremen's Association, AFL-CIO, engaged in violations of Section 8(b)(4)(ii)(B) of the National Labor Relations Act, as amended, as alleged in the consolidated complaints herein.

4. The preponderance of the evidence in the record does not support a finding that International Longshoremen's Association, AFL-CIO, and New York Shipping Association, Inc. engaged in violations of Section 8(e) of that Act, as alleged in the consolidated complaints herein.

Upon the foregoing findings of fact, conclusions of law, upon the entire record, and pursuant to Section 10(c) of the Act I recommend the following:

ORDER[18]

The complaint in this proceeding is dismissed in its entirety.

Dated at Washington, D.C. Dec 9 1974

ARNOLD ORDMAN
Arnold Ordman
Administrative Law Judge

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[18] In the event no exceptions are filed as provided by Section 102.46 of the Rules and Regulations of the National Labor Relations Board, the findings, conclusions, and recommended Order herein shall, as provided in Section 102.48 of the Rules and Regulations, be adopted by the Board and become its findings, conclusions and Order, and all objections thereto shall be deemed waived for all purposes.

Decision and Order of The National Labor Relations Board.

On December 9, 1974, Administrative Law Judge Arnold Ordman issued the attached Decision in this proceeding. Thereafter, General Counsel, Charging Parties Consolidated Express, Inc.,[1] and Twin Express, Inc.,[2] and Intervenor Truck Drivers Local 807, International Brotherhood of Teamsters, Chauffeurs, Warehouseman and Helpers of America,[3] filed exceptions and supporting briefs, and Respondent New York Shipping Association, Inc.,[4] filed a brief in support of the Administrative Law Judge's Decision. Respondents International Longshoreman's Association, AFL-CIO,[5] and NYSA filed answering briefs.[6]

The Board has considered the record and the attached Decision in light of the exceptions and briefs and has decided to affirm the rulings, findings, and conclusions of the Administrative Law Judge only to the extent consistent herewith.[7]

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[1] Hereafter referred to as Consolidated.

[2] Hereafter referred to as Twin.

[3] Hereafter referred to as Intervenor or Local 807.

[4] Hereafter referred to as NYSA.

[5] Hereafter referred to as ILA.

[6] In view of our findings herein, Consolidated's and Twin's motions to strike in its entirety ILA's brief in support of the Administrative Law Judge's Decision, Consolidated's motion to strike portions of NYSA's brief in support of the Administrative Law Judge's Decision, and NYSA's reply to exceptions are hereby denied. In so finding, we have disregarded movants' arguments submitted in contravention to our ruling of April 2, 1975, by which we denied their requests for permission to file reply briefs to ILA's and NYSA's briefs in support of the Administrative Law Judge's Decision.

[7] Respondent NYSA's and Charging Party Consolidated's requests for oral argument are hereby denied as, in our opinion, the record in this case, including the exceptions and briefs, adequately presents the issues and positions of the parties.

Decision and Order of The National Labor Relations Board.

In these consolidated cases, the complaints allege that Respondent ILA has threatened, coerced, and restrained NYSA and its employer-members to cease doing business with Consolidated and Twin, in violation of Section 8(b)(4)(ii)(B) of the Act. The complaints also allege that Respondents ILA and NYSA have violated Section 8(e) of the Act by maintaining, giving effect to, and enforcing certain contracts and agreements between them with respect to the business operations of the Charging Parties.

Consolidated and Twin are non-vessel-owning common carriers engaged in the business of containerizing less-than-container-load (LCL) or less-than-trailer-load (LTL) cargo for shipment between Puerto Rico and their respective inland facilities located within 50 miles of the Port of New York. In the shipping trade, they are otherwise known as "consolidators," companies which handle LCL goods for customers wishing to ship their goods to or from a given destination. At their off-pier facilities, Consolidated and Twin unitize or consolidate the crates of their various customers into large containers or trailers which are provided to them by the steamship companies which service Puerto Rico. These consolidators then truck the trailers to the pierside facilities of the steamship companies who then load the containers onto their ships bound for Puerto Rico. Conversely, when ships carrying goods from Puerto Rico arrive in the Port of New York, the steamship companies unload the incoming containers, including the LCL containers, which the consolidators then truck to their off-pier facilities where the consolidators open the containers and separate the crates for delivery to the ultimate consignees. In the trade, the act of filling a container with cargo is known as "stuffing," and the act of removing cargo from a container is known as "stripping" or "unstuffing."

Consolidated began its business operations under its present identity in 1965, but it asserts that it is the successor of Valencia-Baxt Express, Inc., which began off-pier consolidation operations in 1949.[8] Prior to August 1973, Consolidated did not have its own trucking employees, but contracted with the United States Trucking Company, whose employees were represented by Intervenor Local 807, to do all stuffing, stripping, loading, and delivery work at, to, and from Consolidated's off-pier facilities. In August 1973, Consolidated terminated its relationship with United States Trucking Company, and Consolidated's own employees, also represented by Local 807, have performed the work since.

Twin has been in business as an off-pier consolidator since 1967. Until 1969, it utilized unrepresented employees provided by two trucking companies which contracted with Twin to perform stuffing, stripping, and delivery of cargo. Since 1969, Twin's own employees, represented by Intervenor's sister local, and the employees of independent trucking companies, including a company whose employees are represented by Intervenor, have performed the bulk of Twin's consolidation and delivery work.

Neither Consolidated nor Twin has ever belonged to Respondent NYSA, an incorporated association of employers engaged in various operations involving the shipment of cargo and freight and the transportation of passengers in and out of the Port of New York. NYSA conducts collective-bargaining negotiations and enters into bargaining agreements on behalf of its employer-members, including the three steamship companies operating in

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[8] In view of our findings herein, we need not decide whether Consolidated is a successor of Valencia-Baxt Express, Inc., for the purposes of this case.

trade between the Port of New York and Puerto Rico, i.e., Sea-Land Service, Inc.,[9] Seatrain Lines, Inc.,[10] and Transamerican Trailer Transport, Inc.[11] In the course of its business operations as a non-vessel-owning common carrier, Consolidated has utilized the carrier services provided by these three shipping lines. Twin has similarly done business with Sea-Land and TTT, but not Seatrain. Since their ships are specifically designed to carry certain kinds of large containers or trailers, these shipping companies furnish empty containers to their customers in order to permit their customers to avail themselves of the shipping companies' carrier services. In the past, the shipping companies have provided these containers to all their customers, including manufacturers and beneficial owners of the cargo to be shipped. Like any other shipper of goods, Consolidated and Twin cannot utilize the shipping companies' transport services to and from Puerto Rico unless they acquire those empty containers.

NYSA belongs to the Council of North American (*sic*) Shipping Associations.[12] Since 1970, CONASA has had the authority to negotiate and enter into collective-bargaining agreements on behalf of its association members.

The record discloses that employees represented by Respondent ILA have traditionally performed the actual work of loading and unloading cargo, however contained, on and off ships belonging to NYSA's employer-members who operate out of the Port of New York. Since World War II, however, the introduction of increasingly larger containers, currently as large as 8 x 8 x 40 feet, has resulted

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[9] Hereafter referred to as Sea-Land.

[10] Hereafter referred to as Seatrain.

[11] Hereafter referred to as TTT.

[12] Hereafter referred to as CONASA.

in fewer individual cargo units for the longshoremen to load onto and off the ships. In 1958, ILA protested the use of Dravo containers, boxes which were 8 cubic feet in size, and commenced a strike against NYSA which resulted in the 1959 agreement with NYSA. Section 8 of the 1959 memorandum of settlement was entitled "Containers—Dravo Size or Larger" and provided:

> a. Any employer shall have the right to use any and all type of containers without restriction or stripping by the union.
>
> b. The parties shall negotiate for two weeks after the ratification of this agreement, and if no agreement is reached shall submit to arbitration . . . the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor, such submission to be within 30 days thereafter.
>
> c. Any work performed in connection with the loading and discharging of containers for employer members of NYSA which is performed in the Port of Greater New York whether on piers or terminals controlled by them, or whether through direct contracting out, shall be performed by ILA labor at longshore rates.

After the 1959 agreement, advancement in the development of larger containers accelerated. In 1967, the first fully containerized ships, specifically designed and constructed to carry large containers, were introduced into the shipping trade. As fewer cargo units reached the piers, there was a proportionate decrease in loading and unloading work for the longshoremen represented by Respondent ILA. Whenever ILA-NYSA collective-bargaining agreements expired, disputes marked by work stoppages erupted. During these disputes, ILA members stripped and restuffed

LTL containers shipped by Consolidated and Twin as the containers crossed the piers. ILA's rehandling of these LTL containers never lasted more than 2 or 3 weeks at a time, and, with these few exceptions, Consolidated's and Twin's LTL containers went through the Port of New York and were loaded for shipment without interference by ILA in the way of stripping or restuffing. In 1967, ILA demanded that its longshoremen stuff and strip all containers crossing the piers, and a 57-day strike ensued. In 1969, in an attempt to resolve their differences, ILA and NYSA entered into the following agreement known as the "Rules on Containers":

> Rule 1. Definitions and rule as to containers covered.
> Stuffing—Means the act of placing cargo into a container.
>
> Stripping—Means the act of removing cargo from a container.
>
> Loading—Means the act of placing containers aboard a vessel.
>
> Discharging—Means the act of removing containers from a vessel.

These provisions relate solely to containers meeting each and all of the following criteria:

> (a) Containers owned or leased by employer-members (including containers on wheels) which contain LTL loads or consolidated full container loads.
>
> (b) Such containers which come from or go to any person (including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound

cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo.

(c) Such containers which come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

Rule 2. Rule of stripping and stuffing applies to such containers.

A container which comes within each and all of the criteria set forth in Rule 1 above shall be stuffed and stripped by ILA longshore labor. Such ILA labor shall be paid and employed at longshore rates under the terms and conditions of the General Cargo Agreement. Such stuffing and stripping shall be performed on a waterfront facility, pier or dock. No container shall be stuffed or stripped by ILA longshore labor more than once. Notwithstanding the above provisions, LTL loads or Consolidated Container loads of mail, of household goods with no other type of cargo in the container, and of personnel (*sic*) effects of military personnel (*sic*) shall be exempt from the rule of stripping and stuffing.

Rule 3. Rules on No Avoidance or Evasion.

* * * * *

(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. If for any reason a container is no

longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay, to the joint Container Royalty Fund liquidated damages of $250 per container which should have been stuffed or stripped. Such damages shall be used for the same purposes as the first Container Royalty is used in each port. If any carrier does not pay liquidated damages within 30 days after exhausting its right to appeal the imposition of liquidated damages to the Committee provided in (g) below, the ILA shall have the right to stop working such carrier's containers until such damages are paid.

In 1970, NYSA agreed to increase the liquidated damages imposed upon the offending carriers to $1,000 for each offense. The disputes continued, however, and in 1973 CONASA and ILA met and entered into the Dublin Supplement which provides in pertinent part as follows:

Enforcement of Rules on Containers.

* * * * *

1. (a) All outbound (export) consolidated or LTL container loads (Rule 1 containers) shall be stripped from the container at pier by deepsea ILA labor and cargo shall be stuffed into a different container for loading aboard ship.

1. (b) All inbound (import) consolidated or LTL cargo (Rule 1 containers) for distribution shall be stripped from the container and the cargo placed on the pier where it will be delivered and picked up by each consignee.

2. No carrier or direct employer shall supply its containers to any facilities operated in violation of the

> Rules on Containers including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder who is either a consolidator or a distributor. No carrier or direct employer shall operate a facility in violation of the Rules on Containers which specifically require that all containers be stuffed or stripped at a waterfront facility (pier or dock) where vessels normally dock.
>
> A list shall be maintained of consolidation and distribution stations which are operated in violation of the Rules for the information of all carriers and direct employers. Any container consolidated at or distributed from such facilities shall be deemed a violation and subject to the rules on stuffing and stripping.

Following the execution of the Dublin Supplement, assessments and threats of further assessments resulted in Sea-Land and TTT ceasing to furnish Consolidated and Twin with containers necessary for the continued operation of their consolidation businesses. Seatrain similarly discontinued furnishing containers to Consolidated. TTT attempted to furnish them "foreign" trailers, i.e., containers which TTT leased from railroad pools and which do not carry TTT's name. But even these containers were stripped and restuffed by ILA labor at the piers.

Finally, on April 13, 1973, NYSA and ILA issued a joint notice to all NYSA members, announcing that employer-members had been assessed liquidated damages for violating the Rules on Containers and that LTL containers had been stuffed and stripped at the premises of 14 named employers who did not employ ILA labor. Consolidated and Twin were among the 14 employers listed in the notice.

Shortly after the circulation of the above-mentioned notice, Consolidated and Twin filed the instant charges alleging violations of Section 8(b)(4)(ii)(B) and 8(e) of the Act. Thereafter, complaints issued, and the General Counsel, pursuant to Section 10(1) of the Act, sought and obtained temporary injunctions against ILA and NYSA in both the Consolidated cases[13] and the Twin cases.[14] All four cases were consolidated and submitted to the Administrative Law Judge on the basis of stipulated records consisting of the records compiled in the earlier injunction proceedings before the United States District Court of New Jersey, and supplemented by affidavits furnished by the parties, particularly Intervenor Local 807 which did not participate in the proceedings before the district court.

The Administrative Law Judge correctly noted that the disposition of this case turns on whether ILA's activities and its contractual agreements with NYSA had primary or secondary objectives. If ILA's activities and its agreements with NYSA were designed to preserve work to which ILA-represented employees working in the Port of New York were entitled, then both the activities and the contractual arrangements would be primary in purpose and, therefore, would not be unlawful. However, if ILA's real object was to obtain either work traditionally performed by employees not represented by ILA or work to which ILA had abandoned all claims, then the pressures on NYSA members and the contractual arrangements

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[13] *Balicer* v. *International Longshoremen's Association, AFL-CIO, and New York Shipping Association, Inc.*, 364 F.Supp. 205 (D.C.N.J., 1973), affd. 491 F.2d 748 (C.A. 3, 1973).

[14] *Balicer* v. *International Longshoremen's Association, AFL-CIO, and New York Shipping Association, Inc.*, 86 LRRM 2559 (D.C.N.J., 1974).

would have a secondary object and would violate Section 8(b)(4)(ii)(B) and 8(e), respectively. As the United States Supreme Court instructed in *National Woodwork Manufacturers Association* v. *N.L.R.B.*, "[t]he touchstone is whether the agreement or its maintenance is addressed to the labor relations of the contracting employer *vis-a-vis* his own employees."[15]

The Administrative Law Judge found that ILA did not seek to represent employees working for Consolidated and Twin, nor did it ask those companies to retain ILA-represented employees. Rather, he found, ILA only demanded that longshoremen on the dock perform the work of stuffing and stripping LCL and LTL containers owned or leased by NYSA members, work which belonged to them and which they had never surrendered, abandoned, or lost. Thus, he concluded, the ILA boycott and the contractual agreements with NYSA were addressed to the labor relations of NYSA employer-members vis-a-vis their own employees; and, if Consolidated and Twin were adversely affected, it was an inevitable result of lawful primary action. We do not agree with this conclusion.

The Administrative Law Judge correctly recognized that, in order to properly evaluate the validity of ILA's claim to the work, "it is essential to define with some precision the work in controversy since that is the predicate upon which the issue of work preservation must turn." It is clear from the record that the work in controversy here is the LCL and LTL container work performed by Consolidated and Twin at their own off-pier premises. It is with this precise work in mind that the contentions of the parties must be evaluated.

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[15] 386 U.S. 612, 644-645 (1967). See also *International Longshoremen's Association, Local 1248, AFL-CIO (U.S. Naval Supply Center)*, 195 NLRB 273 (1972).

The traditional work of the longshoremen represented by ILA has been to load and unload ships. When necessary to perform their loading and unloading work, longshoremen have been required to stuff and strip containers on the piers.[16]

Similarly, for many years, maritime cargo has been sorted and consolidated off the docks by companies employing teamsters and unrepresented employees. With the advent of vessels designed exclusively to carry the large containers presently in use, these consolidating companies, such as Consolidated and Twin, have continued to consolidate shipments into containers prior to their placement aboard the vessels. The consolidators generate such work themselves, performing it not on behalf of the employer-members of NYSA but for their own customers who have goods to ship. Furthermore, they perform this consolidation work at their own off-pier premises, with their own employees who are outside the unit represented by ILA, and who fall within the coverage of separate collective-bargaining agreements, under which they are represented by other labor organizations. It is clear, therefore, that Consolidated and Twin have traditionally been engaged in the work of stuffing and stripping containers such as are here in controversy.

From the foregoing and the record as a whole, it is clear that the on-pier stripping and stuffing work performed by longshoremen as an incident of loading and unloading ships does not embrace the work traditionally performed by Consolidated and Twin at their own off-pier premises.

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[16] While the record does not reveal the extent to which longshoremen have engaged in stripping and stuffing containers, it is clear that longshoremen have performed these functions on the piers on behalf of shippers since the advent of containerization.

It does not fall within ILA's traditional role to engage in make-work measures by insisting upon stripping and stuffing cargo merely because that cargo was originally containerized by nonunit personnel. Yet, ILA's demand here could only be met if the work traditionally performed off the pier by employees outside the longshoremen unit were taken over and performed at the pier by longshoremen represented by ILA. Thus, our analysis, as set forth in *U. S. Naval Supply Center, supra,* is apposite here. As in *U. S. Naval,* ILA here sought to acquire the work which traditionally had been performed by employees in other work units. Accordingly, consistent with *U. S. Naval,* the *National Woodwork, supra,* and *American Boiler Manufacturing Association* v. *N.L.R.B.*[17] cases are distinguishable from the instant case since, in those cases, the very work claimed had once been performed, exclusively, by employees in the units represented by the respondent organizations therein.

In addition, there is compelling evidence that the agreements between ILA and NYSA were not in reality solely concerned with the preservation of the work to which ILA claims it was entitled. ILA and NYSA have steadfastly asserted that their agreements, and the maintenance thereof, were calculated to prohibit NYSA employer-members from furnishing containers to consolidators, thus preserving for the longshoremen work which they would perform were the containers not provided by their employers to consolidators. However, the record reveals that, even if Consolidated and Twin obtained trailers or containers not owned or leased by NYSA employer-members, those "foreign" containers would still be considered as falling within the provisions of the Rules on Containers and the Dublin

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[17] 404 F.2d 547 (C.A. 8, 1968), cert. denied 398 U.S. 960 (1970).

Supplement, and the stuffing and stripping of such containers would likewise be claimed by ILA.[18]

Furthermore, assuming that ILA had a superior claim prior to 1959 to the stuffing and stripping work here in controversy, we believe, contrary to the Administrative Law Judge, that it abandoned that claim by its 1959 contract with NYSA. Thus, section 8(a) of that agreement provides that "Any employer shall have the right to use any and all type of containers without restriction or stripping by the union." Plainly, this language is designed to ensure that there would be no restriction on the handling of any type of container, including LTL or LCL containers. The only qualifications specified, which are contained in section 8(b) and (c), provide the *quid pro quo* for this concession. Section 8(b) provides for the payment of royalties on "containers" which are loaded or unloaded by non-ILA labor away from the pier. Section 8(c) requires that ILA labor be used to perform container work actually performed for NYSA members themselves, whether at their terminals or by their subcontractors. Since Consolidated and Twin

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[18] Rule 3, par. (f), of the Rules on Containers provides:

(f) If any shippers or their agents who have at any time used, are now using, or in the future use containers owned or leased by employer-members, hereafter use containers not owned or leased by employer-members, for the purpose of evading the provisions of Rule 2 hereof, then the containers so used shall be considered to be within Rule 1 and Rule 2.

[19] The record reveals the following stripping and restuffing incidents involving Consolidated and Twin: Lloyd Jacobs of Consolidated testified to three periods of stripping and restuffing of Consolidated containers. The first in 1966 or 1967, the second in 1968, and the third in 1971. Nestor Sanjurjo of Twin testified to two periods of stripping and restuffing of Twin containers. The first in 1968 and the second in 1971. As already noted, these incidents coincided with periods of contract negotiations and lasted no more than 2 or 3 weeks at a time.

are customers rather than subcontractors of NYSA members, their containers obviously do not fall within the purview of Section 8(e).

Since 1959, and until the enforcement of the Dublin Supplement in 1973 which gave rise to this proceeding, ILA has handled the containers of Consolidated and Twin in a manner consistent with the requirements of the 1959 contract as set forth above. Thus, with few exceptions, ILA has loaded such containers without stripping and restuffing.[19] We believe that this adherence to the plain meaning of the contract's provisions confirms the view we have taken of the contract.[20] The limited stripping and restuffing performed by ILA at times coinciding with contract negotiations reveals, at most, attempts on the part of ILA to bolster its bargaining position.

Finally, there is another circumstance present in this case which, according to the Supreme Court's caveat in *National Woodwork, supra,* we must take into account.[21] We recognize that the economic personality of the industry is marked by the absence of a distinction in the essential character of the work of stuffing and stripping, whether it is performed by full-load shippers or by consolidators handling LCL and LTL loads. Thus, Consolidated and Twin, as customers of the shipping companies, are no different in this respect than the full-load cus-

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[20] As recently as the 1968 contract negotiations, NYSA asserted that, by virtue of the 1959 contract, it had the contractual right to move containers without any restriction at all.

[21] The Court's main opinion cautioned that the test for determining the legality of a restrictive clause must be made with full concern for "all the surrounding circumstances." Such circumstances were defined by the Court as including "the remoteness of the threat of displacement by the banned product or services, the history of labor relations between the union and the employers who would be boycotted, and the economic personality of the industry." 386 U.S. at 644-645, fn. 38.

tomers to whom the shipping companies furnish containers. Although ILA does not now claim the work of stuffing and stripping shippers' loads, the logic of its position would support a claim for all container work, without regard to the identity of the competing employees. As we noted in *California Cartage Company,* "a boycott to enforce a claim to stuff shippers' loads and door-to-door deliveries would have an enormous impact on the shipping industry."[22]

On the basis of the foregoing, and the entire record, we reject the Respondents' assertion that ILA's boycott and its contractual agreements with NYSA had a lawful primary object. We find that by maintaining, giving effect to, and enforcing the contracts and agreements known as the Rules on Containers, as set forth in the Union's memorandum of understanding, executed on or about February 14, 1971, and the provisions known as the Dublin Supplement, executed on or about January 29, 1973, Respondent NYSA and Respondent ILA violated Section 8(e) of the Act. We also find that by threatening to assess and by assessing liquidated damages as provided in the above-described agreements, thereby threatening, restraining, and coercing Respondent NYSA, Sea-Land, Seatrain, and TTT with an object being to force those persons engaged in commerce to cease doing business with Consolidated and Twin, Respondent ILA violated Section 8(b)(4)(ii)(B) of the Act.

The Remedy

Having found Respondent ILA and Respondent NYSA to have engaged in unfair labor practices in violation of

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[22] *International Longshoremen's and Warehousemen's Union; Locals 13 and 63, ILA (California Cartage Company, Inc.),* 208 NLRB 994, 996 (1974).

Section 8(e), and Respondent ILA to have engaged in unfair labor practices in violation of Section 8(b)(4)(ii)(B) of the Act, we shall order that each Respondent cease and desist from the proscribed conduct and take certain affirmative action which we find necessary to remedy and remove the effects of the unfair labor practices and to effectuate the policies of the Act.

ORDER

Pursuant to Section 10(c) of the National Labor Relations Act, as amended, the National Labor Relations Board hereby orders that:

A. Respondent Union, International Longshoremen's Association, AFL-CIO, New York, New York, its officers, agents, and representatives, shall:

1. Cease and desist from:

(a) Maintaining, giving effect to, and enforcing the contracts and agreements known as the Rules on Containers and the Dublin Supplement between ILA and NYSA to the extent and in the manner said contracts and agreements have been found to be unlawful herein, or any other contract or agreement, express or implied, whereby NYSA, on behalf of its employer-members, agrees to cease or refrain from doing business with any other person in violation of Section 8(e) of the Act.

(b) Threatening, coercing, or restraining NYSA or any of its employer-members, or any other person engaged in commerce or in an industry affecting commerce, where an object thereof is to force or require such persons to cease

doing business with Consolidated Express, Inc., or Twin Express, Inc.

2. Take the following affirmative action which is found necessary to effectuate the policies of the Act:

(a) Notify its members who are employed by employer-members of NYSA, that Respondent Union has no objections to loading or unloading containers that have been stuffed, or are to be unstuffed, by employees of Consolidated Express, Inc., or Twin Express, Inc.

(b) Notify all its members who are employed by employer-members of NYSA, that any previous instructions, requests, or appeals made by Respondent Union to strip and restuff containers stuffed, or to be unstuffed, by Consolidated Express, Inc., or Twin Express, Inc., have been withdrawn and are to have no force or effect.

(c) Notify all its members that any and all of the paragraphs contained in the contracts and agreements known as the Rules on Containers and the Dublin Supplement negotiated by and between ILA and the Council of North American (*sic*) Shipping Associations on behalf of NYSA which limit, restrain, restrict, tax, or prohibit handling, in the customary manner, containers that have been stuffed or are to be unstuffed by Consolidated Express, Inc., or Twin Express, Inc., have been found to be void and unenforceable with respect to Consolidated Express, Inc., and Twin Express, Inc.

(d) Post at its business offices, meeting halls, and all dispatch halls copies of the attached notice marked "Ap-

pendix A."[23] Copies of said notice, on forms provided by the Regional Director for Region 22, after being duly signed by a representative of Respondent Union, shall be posted by Respondent Union immediately upon receipt thereof, and be maintained by it for 60 consecutive days thereafter, in conspicuous places, including the dispatch halls and all places where notices to members are customarily posted. Reasonable steps shall be taken by Respondent Union to insure that said notices are not altered, defaced, or covered by any other material.

(e) Notify the Regional Director for Region 22, in writing, within 20 days from the date of this Order, what steps Respondent Union has taken to comply herewith.

B. Respondent New York Shipping Association, Inc., New York, New York, its officers, agents, successors, and assigns, shall:

1. Cease and desist from maintaining, giving effect to, and enforcing the contracts and agreements known as the Rules on Containers and the Dublin Supplement between ILA and NYSA to the extent and in the manner said contracts and agreements have been found to be unlawful herein, or any other contract or agreement, express or implied, whereby NYSA, on behalf of its employer-members, agrees to cease or refrain from doing business with any other person in violation of Section 8(e) of the Act.

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[23] In the event that this Order is enforced by a Judgment of a United States Courts of Appeals, the words in the notice reading "POSTED BY ORDER OF THE NATIONAL LABOR RELATIONS BOARD" shall read "POSTED PURSUANT TO A JUDGMENT OF THE UNITED STATES COURT OF APPEALS ENFORCING AN ORDER OF THE NATIONAL LABOR RELATIONS BOARD."

2. Take the following affirmative action which is found necessary to effectuate the policies of the Act:

(a) Notify all its employer-members that any previous instructions, requests, or appeals which Respondent NYSA may have made against loading or unloading containers that have been stuffed, or are to be unstuffed, by Consolidated Express, Inc., or Twin Express, Inc., are to be withdrawn and to have no force or effect.

(b) Notify all its employer-members that any and all provisions of the contracts and agreements known as the Rules on Containers and the Dublin Supplement which have been negotiated between ILA and the Council of North American (*sic*) Shipping Associations on behalf of NYSA which restrain, restrict, limit, tax, or prohibit handling, in the customary manner, containers that have been stuffed, or are to be unstuffed, by Consolidated Express, Inc., or Twin Express, Inc., have been found to be void and unenforceable with respect to Consolidated Express, Inc., and Twin Express, Inc.

(c) Notify all its employees and employer-members that it has no objection to their loading, unloading, or otherwise handling containers that have been stuffed or are to be unstuffed by Consolidated Express, Inc., or Twin Express, Inc.

(d) Mail to each of its employer-members and post at its main office in New York, New York, and at each area office copies of the attached notice marked "Appendix B."[24] Copies of said notice, on forms provided by the Regional Director for Region 22, after being duly signed by Re-

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[24] See fn. 23, *supra.*

spondent NYSA's representative shall be posted by it immediately upon receipt thereof, and be maintained by it for 60 consecutive days thereafter, in conspicuous places, including all places where notices to employer-members are customarily posted. Reasonable steps shall be taken by Respondent NYSA to insure that said notices are not altered, defaced, or covered by any other material.

(e) Notify the Regional Director for Region 22, in writing, within 20 days from the date of this Order, what steps Respondent NYSA has taken to comply herewith.

Dated, Washington, D.C., December 4, 1975.

.....
Betty Southard Murphy, Chairman

.....
John H. Fanning, Member

.....
Howard Jenkins, Jr., Member

.....
John A. Penello, Member

(SEAL) NATIONAL LABOR RELATIONS BOARD

Respondents' Exhibit "R-1".

MEMORANDUM OF SETTLEMENT

Memorandum of Settlement, made the 3rd day of December, 1959, covering the following labor contracts to be made by the employer-members of the New York Shipping Association, Inc. and the International Longshoremen's Association and its affiliated locals for the Port of Greater New York.

GENERAL CARGO AGREEMENT
CARGO REPAIRMEN AGREEMENT
CHECKERS AGREEMENT
CLERKING AGREEMENT
GENERAL MAINTENANCE, MECHANICAL AND MISCELLANEOUS WORKERS AGREEMENT
HORSE AND CATTLE FITTERS, GRAIN CEILERS AND MARINE CARPENTERS AGREEMENT

The parties agree that the Agreements previously in effect in New York and which expired on September 30, 1959, shall be extended for a term of three years, or namely until September 30, 1962, with the following changes only:

1. The *basic wage scale* shall be increased as follows:

   a. 12¢ per man-hour worked, effective October 1, 1959.

   b. 5¢ per man-hour worked, effective October 1, 1960.

   b. 5¢ per man-hour worked, effective October 1, 1961.

2. *Pension:* The employers shall increase their contribution to the pension fund by 7¢ per man-hour worked, effective October 1, 1959.

Respondents' Exhibit "R-1".

3. *Welfare Fund:* The employers shall increase their contribution to the welfare fund by 4¢ per man-hour worked, effective October 1, 1959.

4. *Clinic Fund:* The employers shall increase the contribution to the clinic fund by 3¢ per man-hour worked, effective October 1, 1959.

5. *Holidays:* 3 additional paid holidays shall be granted, one during the first year of contract, one additional holiday during the second year, and one additional holiday the third year. The holidays to be designated are to be agreed to by the parties or, if no agreement reached, submitted to grievance machinery.

6. *Vacations:* The eligibility requirements for two weeks vacations shall be reduced to 1,100 hours without review and the eligibility requirements for three weeks vacation shall be reduced to 1,300 hours without review. The eligibility requirements for the first week of vacation shall not be changed.

7. *Container ships full or partial.* The gang shall be as provided for under the old contract.

8. *Containers:—Dravo size or Larger*

(a) Any employer shall have the right to use any and all type of containers without restriction or stripping by the union.

(b) The parties shall negotiate for two weeks after the ratification of this agreement, and if no agreement is reached, shall submit to arbitration in the manner described in paragraph 13 below, the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor, such submission to be within 30 days thereafter.

Respondents' Exhibit "R-1".

(c) Any work performed in connection with the loading and discharging of containers for employer members of the NYSA which is performed in the Port of Greater New York whether on piers or terminals controlled by them, or whether through direct contracting out, shall be performed by ILA labor at longshore rates.

9. *Bulk Sugar Operations*—On bulk sugar ship operations, there shall be a gang of 9 men. The allowance per gross ton of sugar discharged shall be negotiated by the parties within two weeks, said payment to be effective upon ratification of this agreement.

10. Such amounts as may be paid as a result of allowances on containers or bulk sugar ship operations shall be contributed into a fund to be administered by the NYSA and ILA. The parties shall negotiate for six months the use of those funds, and if agreement is not reached regarding the disposition to be made of those funds, the question of how those funds shall be distributed or used shall be submitted to arbitration in the manner described in paragraph 13 below.

11. *Mechanized conveyor belt and sideport operation ships.* There shall be a gang of 20 men plus foreman including drivers. Not more than 2 drivers shall be added for dock operations.

12. With respect to all operations, new and old, covered by the scope of this agreement which are performed during the term of said agreement and are not specified above, the provisions of the agreement shall govern and those provisions may not be modified or varied by any arbitrator or otherwise.

13. In the event that arbitration is required with respect to the issues described in paragraphs above, the

two parties shall designate an arbitrator from each side, who in turn shall designate the third or impartial arbitrator. In the event that the two party arbitrators cannot agree within forty-eight hours, the impartial arbitrator shall be selected as follows:

Either party will have the right to request a list of five names of arbitrators to be submitted to the parties by the Director of Federal Mediation and Conciliation Service. If, within 48 hours after receipt of such a list from the said Director the parties are unable to agree upon an arbitrator, each of them shall, within 48 hours after such disagreement, cross off from the list not more than 2 names, if any, objected to and number the remaining names, indicating the order of preference and return the list to the Director. From among the persons whose names have not been crossed off, the Director shall then appoint the arbitrator, taking into consideration the order of mutual preference, if any. If the person selected by the parties or appointed by the Director declines or is unable to serve or if for any reason the appointment cannot be made from the submitted list, the Director shall designate the arbitrator.

Any and all decisions or awards of the Arbitrators appointed hereunder shall be in writing and shall be final and binding upon all of the parties hereto and their members.

The Union will not resort to a strike, work stoppage or picketing, and the employers will not resort to a lockout, at any time during the period of negotiations previously referred to nor during the continuance of any of the proceedings provided for herein or related to this matter nor by reason of the award of the arbitrators.

Nothing contained in this agreement shall be or be construed to constitute a limitation on the right of either

party to take any and all measures to validate the Arbitrators' award and to make such award legally effective or to invalidate.

The expenses of the arbitration proceedings and the compensation of the Arbitrators shall be borne equally by the parties.

14. Also incorporate the following changes to the contracts where applicable:

PART I Preamble—revise to bring up-to-date in light of Maritime Board developments.

PART II Union security clause and check-off—delete date February 18, 1957 and insert new date.

PART IV-1(d)—Add new paragraph (d) to read: "New Year's Eve and Christmas Eve work shall terminate at 3 P.M., provided that men are paid only for hours worked and arrangements are made to complete a ship sailing that day or to meet special emergency conditions."

PART V (B) Modify travel time clauses to eliminate Jersey City and from Hoboken to north side of Ford plant.

(C)-5 Add new clause 5 to read: "In the event any individual, group of men affiliated with ILA, or Local of the ILA, causes work stoppages, others working under this agreement who are prevented from performing work as a result of the work stoppage shall be paid only for the actual time they worked and shall not receive pay for the minimum periods guaranteed."

Respondents' Exhibit "R-1".

Add new section to provide that bulldozer operators in the hold on discharge of bulk sugar shall receive an additional 15¢ per hour over and above the longshore rate.

PART V (D)-1(a)—Add sentence to read: "NYSA shall notify the ILA of the names of all workers who fail to claim their vacation checks, such notice to be given within four months after the end of the fiscal year."

PART VI—Add new clause 6 to provide that "When refrigerator cargo is to be worked, the men shall be notified of that fact the previous day so that they may wear suitable clothing."

PART VII 9 Add new clause 9 to read: All new men coming into the industry after October 1, 1959, shall have satisfactorily passed a pre-employment physical examination as a condition of employment.

PART XI (f)(iii) Add the following sentence: "Such decision must be issued within thirty (30) days after the completion of each arbitration proceeding unless both parties agree in writing to an extension of such time."

15. By their execution of this memorandum, the parties hereto agree that all issues between them have been completely settled and that the memorandum is subject to no condition other than ratification by their respective memberships, which shall be held on or before December 10, 1959. If the agreement is not ratified by the membership of the Union by December 10, 1959, and accordingly made effective, there shall be no retroactivity with re-

spect to any wages, pension, welfare or other contributions payable.

16. The terms dealing with wages, hours, pension, welfare and clinic contributions shall apply to coastwise and intercoastal operations. However, the parties shall negotiate other matters to be exempt from the general contracts.

17. Master Contract—The provisions above which relate to wages, hours, the amounts of contributions for welfare and pension benefits (but not the benefits to be provided by different welfare and pension plans) and the term of the collective agreements are agreed to and shall apply to the "Master Contract" for North Atlantic ports to Hampton Roads, Virginia.

EXCEPT AS MODIFIED BY THE ABOVE, all of the terms in the contracts which expired September 30, 1959, shall be embodied in the agreements.

FOR ILA AND ITS LOCALS
WILLIAM V. BRADLEY, Pres.
PATRICK CONNOLLY
ANTHONY ANASTASIA
THOMAS W. GLEASON

COUNSEL FOR PARTIES
LOUIS WALDMAN
ALFRED GIARDINO

FOR EMPLOYER-MEMBERS OF NYSA
A. P. CHOPIN
VINCENT G. BARNETT
(Illegible)
H. F. MARKWALTER
GUS P. CHICIELLO
A. D. WARWICK
(Illegible)

FEDERAL MEDIATION AND CONCILIATION SERVICE

Respondents' Exhibit "R-2".

New York, New York

October 1, 1968

THE PRESIDENT

The White House

Dear MR. PRESIDENT:

On September 30, 1968, under Executive Order No. 11431 by virtue of the authority contained in Section 206 of the Labor Management Relations Act, 1947 (61 STAT 155; 29 U.S.C. 176), you appointed the undersigned Board of Inquiry to report to you on the threatened work stoppage and labor dispute affecting the Atlantic and Gulf Port Maritime Industry of the United States.

Our report is transmitted herewith.

Respectfully,

DAVID L. COLE
David L. Cole, Chairman

PETER SEITZ
Peter Seitz

GEORGE HIGGINS
Msgr. George Higgins

JACK R. GEORGE
Jack R. George, Executive Secretary

Respondents' Exhibit "R-2".

REPORT TO THE PRESIDENT

ON THE LABOR DISPUTE INVOLVING

THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

AND

THE MARITIME INDUSTRY

ON THE ATLANTIC AND GULF COAST

BY

BOARD OF INQUIRY

CREATED BY

EXECUTIVE ORDER 11431

DATED

SEPTEMBER 30, 1968

DAVID L. COLE, CHAIRMAN
PETER SEITZ
MSGR. GEORGE HIGGINS

OCTOBER 1, 1968

REPORT TO THE PRESIDENT

I Introduction

This Board of Inquiry was created by President Lyndon B. Johnson by Executive Order pursuant to Section 206 of the Labor Management Relations Act, 1947, as amended. The Executive Order recites that this action was taken because of a threatened strike which would affect a substantial part of the maritime industry and, if permitted to occur, would imperil the national health and

safety. The Board of Inquiry was directed to report to the President in accordance with the provisions of Section 206 of the Act on or before October 2, 1968.

Because of the threat to national health and safety, this board instituted its inquiry promptly after its creation. With the help of the Federal Mediation and Conciliation Service it notified all the principal labor and management representatives of a hearing to be conducted at 9:30 A.M. on October 1, 1968; and it received helpful information from the mediators who have been working with the parties in their negotiations during the past two months.

The president of the labor organization, the International Longshoremen's Association, AFL-CIO, the union's counsel, and the counsel and executive director of the New York Shipping Association, Inc. appeared, presented exhibits which summarized the issues and their respective positions, and made oral comments which were pertinent to our inquiry and most helpful in the preparation of this report.

A transcript of our hearing is being prepared, and there have been some eleven exhibits submitted. We do not believe it necessary or desirable to attach any of these to this report. They will, of course, be available for reference or use as part of our official record.

II Background of the Dispute

This is the seventh time since 1948 that a chief executive has found it necessary to invoke the national emergency dispute procedures of the Labor Management Relations Act in this industry. Disagreement and strike threat or actual strike seem, unfortunately, to have become routine in this vital industry.

The history of past negotiations and of the steps that have been undertaken to try to improve relations in this

industry have been described in the several reports of boards of inquiry, and repetition here would serve no good purpose at this time.

While the essential finding of a threat to national health and safety has already been made, as reflected in the Executive Order creating this board, it is worth pointing out that the strike which commenced at 12:01 a.m. today is now effectively tying up all ports on the Atlantic and Gulf Coasts from Maine to Texas. In the Port of New York itself the direct costs in wages lost and in unavoidable rentals and overhead is said to be some $1.3 million per day.

III The Nature of the Dispute. The Issues and the Positions of the Parties

There are two overriding issues, and the failure to resolve these has prevented the parties from reaching agreement on other items.

The two critical issues relate to union-wide collective bargaining and the impact or consequences of containerization or mechanization.

The pattern-setting negotiations are those conducted in the North Atlantic District. For the industry these are carried on by the New York Shipping Association, Inc. This Association speaks for employers in the Ports of Boston, Philadelphia, Baltimore and Hampton Roads as well as New York on some five major monetary or economic matters. Customarily, after agreement is reached in the New York negotiations, the other districts do their own bargaining with the union. The main economic settlements reached in New York are applied but they may be, in fact, usually are, some variations as to certain subjects including local working conditions.

In at least the past three contract negotiations the union has tried to have the entire industry on the North Atlantic,

Respondents' Exhibit "R-2".

South Atlantic, and Gulf Coasts bargain together, with the object of arriving at a standard form of agreement.

The union is primarily interested at this time in having the same protective measures applicable everywhere with respect to the effects it anticipates from a broadened use of containerization. The union spokesmen have expressed several basic fears. They consider it not unlikely that a number of ports will be closed down and that large portions of the union's membership may be subjected to substantial losses of earnings and jobs. They are also concerned over the possibility that the union may suffer huge losses in membership. The employers have agreed to certain guarantees of hours of employment in some ports in the past, and seem to be willing to enlarge these guarantees, but the New York Shipping Association takes the position that it cannot offer similar contractual guarantees binding on the industry in other ports and districts. This is probably the greatest impediment to settlement of this dispute.

The union is desirous of having other employment conditions or contract provisions standardized throughout the ports in which the union acts as the bargaining agent, but the most urgent item at this time is that of containerization and its impact or effect on the earnings and employment opportunities of the men represented by the union.

Statements received from employer representatives in ports outside New York support the facts stated above. These statements do not question the pattern-setting character of the New York negotiations, but these employers insist that they should continue to have the right to conduct their own negotiations after the New York negotiations have been completed, in order, among other things, to reach agreement as to their own local conditions.

In the exhibits submitted the parties have spelled out in considerable detail their differences with respect to other items. They have not reached actual agreement on any of

the principal matters. These include wages, welfare, pensions, vacations, and holidays, in addition to those discussed above.

The members of this Board have the distinct impression, however, that the remaining differences on these items should be rather quickly resolved if some means could be devised for settling the two major issues described above.

The fact remains, nevertheless, that these are exceedingly difficult issues. The economic interests of the industry and the employees are in conflict and the parties in the course of two months of serious negotiations have not been able to reconcile their respective interests. Unless the position of one or both parties is substantially changed this dispute may persist indefinitely.

Respondents' Exhibit "R-3".

GENERAL CARGO AGREEMENT

BETWEEN THE

NEW YORK SHIPPING ASSOCIATION INC.

AND THE

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION (AFL - CIO)

October 1, 1968 — September 30, 1971

for the

PORT OF GREATER NEW YORK AND VICINITY

Respondents' Exhibit "R-3".

PART I—Preamble

THIS AGREEMENT, made and entered into by and between the members (hereinafter sometimes referred to as the "Employers" or the "Employer-Members") of the New York Shipping Association, Inc. (hereinafter sometimes referred to as the "Association"), Deepwater Steamship Lines and Contracting Stevedores of the Port of Greater New York and vicinity, as party of the first part, and the International Longshoremen's Association (AFL-CIO), and its affiliated Locals (hereinafter sometimes referred to as the "ILA" or the "Union"), as party of the second part, covers the work pertaining to the rigging of ships, the coaling of same, the loading and unloading of all cargoes, including mail, ships' stores and baggage, and the handling of lines in connection with the docking and undocking of ships in the Port of Greater New York and vicinity.

Wages, hours, the amount of contributions for welfare and pension benefits (but not the benefits to be provided by the welfare and pension plans) and the duration of the term of this agreement are set forth in a separate contract (hereinafter referred to as the Master Contract) to which the parties hereto are parties covering all ports on the Atlantic Coast of the United States from Searsport, Maine, to Hampton Roads, Virginia, inclusive, in which the International Longshoremen's Association (AFL-CIO), is recognized as the collective bargaining representatives of employees.

The employer-members of the Association agree that they will not directly perform work done on a pier or terminal or contract out such work which historically and regularly has been and currently is performed by employees covered by this agreement or employees covered by ILA craft agreements unless such work on such pier

or terminal is performed by employees covered by ILA agreements.

All work on the piers relating to the loading of trucks, when truck loading service is provided by the employer, shall be performed by employees covered by this agreement. The Association will do everything it can lawfully do to maintain in effect tariffs which provide that the loading of trucks shall be done exclusively by the terminal operators participating in the tariff filed with the Federal Maritime Commission.

* * *

PART VI—Procedures Regulating Hiring and Income Guarantee

(A) The provisions numbered (1) through (6) below, from the agreement effective October 1, 1964 shall remain in effect except as expressly modified by the provisions set forth in (B) below, which are from the agreement effective October 1, 1968.

1. Effective April 1, 1966, and for the duration of the Agreements, all employees covered by these Agreements who have been paid for at least 700 hours by employer-members of the NYSA during the year April 1, 1965 to March 31, 1966, are guaranteed an annual income of not less than 1,600 hours a contract year (October 1 to September 30) multiplied by the hourly straight-time rate applicable during each such year.

2. Payments of such guarantee shall be made on an annual basis (after the first six month period of April 1, 1966 to September 30, 1966) within a reasonable period after the end of the contract year, which reasonable period shall be determined under the procedure set forth in Part XV, below. However, at the end of each of the first three

Respondents' Exhibit "R-3".

quarters of the contract year, each qualified employee shall be paid up to 75% of so much of the amount of his guarantee cumulatively due him as of the end of such quarter. Final settlement will be made at the end of the last quarter. As to the first six month guarantee period (namely, April 1, 1966 to September 30, 1966), each employee shall be guaranteed a six month income of 800 hours multiplied by the hourly straight-time rate applicable during that period and each qualified employee shall be paid up to 75% of the amount of his guarantee as of the end of the first quarter-year of said six month guarantee period.

3. (a) Employees who are unable to work in all or part of the above qualifying year by reason of sickness, injury, or disability and who receive welfare benefits under NYSA-ILA Welfare Plan or who receive workmen's compensation or disability benefits under any federal or state law, whose absence from the industry as unable to work have been certified under established standards as administered by NYSA-ILA Medical Center physicians, shall receive credit towards computation of such qualifying 700 hours at the rate of 20 hours per week during such sickness or disability. The established standards are to be strictly applied.

(b) Any employee who worked a minimum of 700 hours under collective bargaining agreements in the year preceding his induction into the Armed Services of the United States and who by reason of such service was unable to qualify in the qualifying year shall be given pro-rata credit for the period of time actually in the Armed Services of the United States towards the computation of the qualifying 700 hours, provided such employee is honorably discharged from the

Armed Services and returns for the industry within a reasonable period thereafter.

(c) Any representative, agent or employee of (a) the ILA, (b) its affiliated Locals, (c) any employee benefits funds providing benefits under this Agreement, or any company supervisor or executive employing employees covered by this Agreement, who has served at least 700 hours under collective bargaining agreements in the year preceding his assumption of such position, shall be given pro-rata credit for service as such union representative, agent or employee, or company official toward the computation of the qualifying 700 hours, provided he becomes covered by this agreement within a reasonable period thereafter.

4. In computing such guarantee the following shall apply:

(a) Gross earnings received during the guarantee period shall be deducted from guaranteed income. In addition, payments made to an employee for vacations, holidays and unemployment compensation shall be deducted. In computing gross earnings, all hours worked shall be computed at applicable straight-time rates.

(b) For each work period a man fails to report for work when ordered out for work, the equivalent of 8 hours at the then applicable straight-time hourly rate shall be deducted, except in cases when the work for which he was ordered out was for 4 hours' duration, in which case only 4 hours shall be deducted.

(c) In the absence of advance orders, if a man fails to make himself available for work in the section in which he is registered Monday through Friday, ex-

cept for holidays, at 7:55 A.M., or fails to accept such work for which he is qualified, as is offered on a portwide basis, there shall be deducted 8 hours. The standards and criteria of the term "for which he is qualified" shall be those appied by the NYSA-ILA GAI Review Panel.

(d) Where a man reports for work for the initial period as ordered and fails to return as re-ordered for the following period, there shall be deducted 4 hours.

5. Any individual who continuously fails to make himself available for employment in violation of the standards established under the procedures of Part XV, below, shall be disqualified from receiving any further income guarantee during the life of this agreement.

6. Payments received under the guarantee shall be incuded in determining vacation, holiday, pension, welfare and clinical services eligibility.

(B) NEW PROCEDURES REGULATING HIRING AND INCOME GUARANTEE

1. Union-Management Role in Hiring Centers

Union and Management shall both have a role in the employment centers and in the dispatching of employees from such employment centers by their representatives operating under the procedures provided for below:

Implementation

There is hereby created a special Board, which shall have an equal number of top level ILA officials and top level NYSA member representatives designated from the

Respondents' Exhibit "R-3".

Labor Policy Committee, including its Chairman, who shall be the joint contractual body with respect to administering all contract provisions relating to hiring, seniority and income guarantee matters. This Board shall develop all necessary standards and policy with respect to the administration of the applicable contractual provisions. In addition to other functions, which shall be granted to them by the contract, this Board shall be fully responsible for the administration of NYSA-ILA participation in the hiring centers.

The representatives of each party shall have an equal number of votes. The Board shall promulgate rules of procedures and by-laws to guide their proceedings. The Board shall meet at least once monthly or shall have special meetings upon five days' written notice by either party. If, after such notice, a quorum of either side, without proper cause, fails to attend a meeting, the other party may proceed to act upon the business set forth in the notice of the meeting as if the other party were present in quorum. The actions taken by such party shall be deemed to have resulted in a deadlock vote. All votes of the Board shall be by secret ballot. Any and all matters which result in a deadlock vote of the Board shall be referred to arbitration in accordance with Part XI 1. (e) of the General Cargo Agreement. It shall employ and direct the dispatchers who shall be assigned to the various hiring centers. The Board may designate alternate dispatchers who shall fill in for dispatchers when they are not present.

Dispatchers shall be required to dispatch all employees in every craft (except maintenance men, to whom the provisions of Part I hereof shall not apply), and gangs, in accordance with the current contractual hiring and seniority provisions as well as standards for selectivity created by the Board on a non-discriminatory and objective basis.

Such standards shall include all applicable hiring procedures, seniority rules, as well as disciplinary procedures relating to the non-assignability of employees or gangs for failure to accept work, to work in overtime periods as directed by their employer or for other contractual infractions.

The parties hereto will take all steps necessary to reduce the number of centers to 5 hiring centers, each with a dispatcher, one each in Manhattan, Brooklyn, Staten Island, Hudson County and Port Newark — Port Elizabeth area, as soon as the listing procedure contemplated by paragraph 3 has been initially completed, but not later than June 1, 1969, at which time the dispatchers' program shall also become effective. In addition thereto, the parties agree to establish one central hiring hall for checkers in the Port of New York which hiring hall may be in one of the specified hiring centers, and which shall have its own dispatcher. The parties agree that there shall be one dispatcher to dispatch carpenters.

The salaries of the dispatchers and the incidental expenses of the Board shall be paid by the employers.

The dispatchers of the Board shall not engage in the actual hiring of gangs or employees which shall continue to be the exclusive function of licensed hiring agents and of the employers. However, the dispatchers shall be fully responsible for dispatching of gangs and employees and for the effectuation of all contractual provisions relating to hiring and assignment of employees under the contract.

2. Income Guarantee

All regular employees presently having active seniority status would be guaranteed an annual income of 2,080 hours multiplied by the applicable basic straight-time rate effective April 1, 1969. Advances of the amount cumula-

tively due will be made every two (2) weeks (except for the last period in a quarter which shall be an advance for a three (3) week period). Accountings shall be made every quarter, but in no event shall any employee who receives payments from wages, vacation, holiday, GAI and unemployment or workmen's compensation for 2,080 hours or more multiplied by the applicable basic straight-time rate in any contract year receive any additional guaranteed income payments. This guarantee would be subject to the "New Procedures Regulating Hiring and GAI" which is set forth below, as well as to existing contract provisions not amended thereby, set forth above.

Income guarantee shall be extended to all employees covered by the NYSA-ILA agreements who have been paid for at least 700 hours by employer-members of NYSA during the contract year October 1, 1967 to September 30, 1968 and who have currently active seniority status. In addition thereto there shall be included the following employees:

(a) Employees who are unable to work in all or part of the above qualifying year by reason of sickness, injury, or disability and who receive welfare benefits under NYSA-ILA Welfare Plan or who receive workmen's compensation or disabiilty benefits under any federal or state law, whose absence from the industry as unable to work have been certified under the established standards as administered by NYSA-ILA Medical Center physicians, shall receive credit towards computation of such qualifying 700 hours at the rate of 20 hours per week during such sickness or disability. The established standards are to be strictly applied.

(b) Any employee who worked a minimum of 700 hours under collective bargaining agreements in the year

preceding his induction into the Armed Services of the United States and who by reason of such service was unable to qualify in the qualifying year shall be given pro-rata credit for the period of time actually in the Armed Services of the United States towards the computation of the qualifying 700 hours, provided such employee is honorably discharged from the Armed Services and returns to the industry within a reasonable period thereafter.

(c) Any representative, agent or employee of (a) the ILA, (b) its affiliated Locals, (c) any employee benefits funds providing benefits under this Agreement, or any company supervisor or executive employing employees covered by this Agreement, who have served at least 700 hours under collective bargaining agreements in the year preceding his assumption of such position, shall be given pro-rata credit for service as such union representative, agent or employee, or company official toward the computation of the qualifying 700 hours, provided he becomes covered by this agreement within a reasonable period thereafter.

(d) Employees who do not so qualify but who were in fact qualified for the income guarantee as of April 1, 1966, but left the industry in accordance with a leave of absence issued by the NYSA-ILA Seniority Board, and who return to work at or prior to the expiration of such leave of absence, and who make themselves available for regular list work and for prior day order or daily employment, immediately following their return to the industry shall also be entitled to receive the guarantee upon their return to work within the leave of absence period.

Respondents' Exhibit "R-3".

3. List Position Offering

To qualify for the guarantee, all currently active men having seniority status who are not attached to any gang, including voluntary gangs as defined below, must take a list position for which they are qualified if it is offered to them under the following conditions:

Employers shall advertise openings on their list in accordance with the present rules of the NYSA-ILA Seniority Boards. Applications will be received in the usual manner and the employers shall fill their vacancies from such applications in regular seniority order. If, at any time, there remain vacancies or required additions on any employer list which are still unfilled, then the jobs must be taken by available income guarantee employees not on lists on an inverse seniority basis—the least senior employee by date of entry in the industry being required to take such list position in his category or categories in accordance with the following procedure:

(a) Employees not on lists shall be given the opportunity to select any available and open jobs on list advertised by the employers.

(b) After the first selection, any employees who have have not taken jobs will be specifically advised of the requirements of this paragraph and of the open jobs remaining unfilled which may be selected by him in accordance with seniority.

(c) After said second step, any employee who has not yet selected a list opening, shall be advised once again by the Board of the number of jobs remaining to be filled. He shall be given a seven day period to decide whether or not he shall take an available list job.

Respondents' Exhibit "R-3".

(d) At the end of said seven day period, an employee who, on such inverse seniority basis, still fails or refuses to take a list job in his category or categories, shall no longer qualify for the guarantee for the balance of the contract, unless and until such employee accepts a list position which subsequently may become available to him in accordance with seniority rules.

Men in voluntary gangs who served as members of a gang while it was actively employed as a gang for at least 700 hours in the contract year 1967-1968 shall be deemed to be list men. Men who served in gangs on pier or terminals which became inactive may be permitted by the Board to leave list positions secured in accordance with these provisions and became active with such gang if the zone sub-committee determines that need exists for such gang in their zone, such determination being subject to review by the Board.

4. Men who are on an employer's list shall be available on a prior day order basis and must accept any work in their list jobs for their employer within the employee's zone, *i.e.,* Brooklyn, Hudson County, Port Newark—Port Elizabeth area, Manhattan and Staten Island being established as the five zones.

5. (a) The employers shall institute at the earliest practicable moment a system of ordering employees, other than their own list employees, on a seniority basis and on a prior day ordering basis, all other employee needs being filled from employees at the hiring center on the same morning, such orders being given to the NYSA-ILA Dispatchers. Employees on regular lists shall continue to receive direct orders from their employers.

Respondents' Exhibit "R-3".

(b) It is contemplated that the computerized prior day ordering system shall not be in full effect until October 1, 1969. In the interim period, employers shall be free to give prior day orders to list men on lists in their section, who are not being ordered out by their own employers on the next day, provided that employment is offered to such list men in seniority order.

6. With respect to hiring of regular men with current seniority status from the employment centers, either on a prior day order basis or on the same morning basis, such men shall be available for and accept employment in his category or categories anywhere in the Port in accordance with existing seniority principles.

7. The Board created under paragraph 1 hereunder shall operate under the basic principle that the men at the hiring center must accept assignment and must work. To this end, said Board shall promulgate such regulations as shall assure that all men in the halls are dispatched with regularity.

If the purpose of both parties that men shall make themselves available for work, and shall work, is not achieved, then the Board shall have the power, without regard to any other provisions of this agreement, to enforce such procedures as shall assure that all men in the hiring centers are dispatched with regularity. The Board may, in appropriate cases, request re-training for other positions in the industry, apply disciplinary procedures, or take other actions as would require the men to make themselves available for work and to work with regularity.

8. Employees who entered the industry on or after December 14, 1964 (known as 1966 men, or having lesser seniority) must accept any and all work offered to them.

Respondents' Exhibit "R-3".

9. The parties agree that abuses in the income guarantee system which permits employees to be paid without working when work is available for income guarantee eligibles (and non-eligible new men have to be hired) creates a double burden on the industry. At the same time, the parties hereto do not desire to penalize employees who will accept work in other crafts or categories and who can be retrained on-the-job by his employer to perform other work. To this end, the parties agree that employees in problem areas from which steamship lines have moved their operations, who have not been accepting employment, or who have not been working with regularity shall be given the opportunity to accept permanent list and other assignments for which they are not qualified, in accordance with present seniority in force as of September 30, 1968 or as amended by the parties as follows:

a. During the contract term, any and all new checkers required by the industry shall first be selected from men in such areas who have seniority classifications of A, B, C, or D. Such men shall be offered such assignments on a seniority basis provided they meet all of the requirements for checker employment, other than the pre-employment physical examination, but including the literacy standards established by the Checker and Clerk Seniority Board, as well as the union security requirements of the Checkers and Clerks agreement.

b. Any and all maintenance men required by the industry during the contract term for work normally performed within the maintenance jurisdiction, and who either possess the necessary skills or can be trained on-the-job by an employer within a short period for the jobs available shall first be selected from men in such areas who have seniority classifica-

tions of A, B, C or D. Such men shall be offered such assignments in accordance with seniority and hiring hall procedures now in effect and shall comply with the union security requirements of the Maintenance Agreement.

c. Any men in such areas who remain qualified for income guarantee, and who have not taken list jobs, and who do not receive regular employment, may be requested by the employer, according to his seniority, to take a course of on-the-job training which will train them as fork-lift drivers, equipment operators, or any other work requiring special training.

The provisions of "a.", "b." and "c." above shall be suspended whenever the GAI panel determines that all GAI eligibles have regular list jobs. Such suspension shall continue until there are GAI eligibles who do not have regular list jobs.

10. For every refusal of an employee to make himself available for, to accept an assignment, or to work in his category or categories either on a list, prior day order or hiring center assignment, he shall be debited 1 day for the first offense; 2 days for the second offense; 3 days for the third offense. For the 4th and each subsequent offense he shall be debited four days of income guarantee. Debits shall be cumulative only during each contract year and shall not be carried over from one contract year to the next.

Any individual who continuously fails to make himself available for employment in violation of standards established by the Board, shall be disqualified from receiving any further income guarantee during the life of this agreement.

Respondents' Exhibit "R-3".

With respect to center hiring, employees entitled to the income guarantee shall be debited even if the job offered to such employee has been filled by a new man who is not entitled to the guarantee, the principle of inverse debiting being limited only to the extent that jobs are filled by employees entitled to the income guarante (*sic*). The number of GAI employees debited shall not exceed the total number of unfilled jobs in the Port.

11. New men provided for by paragraphs 12, 13 and 14 must accept any and all work offered them. On a single refusal to accept any such assignment their employment status shall be terminated in the industry. New men shall not be employed until all available income guarantee men have been offered employment.

12. The parties agree that the Waterfront Commission register shall be opened permanently. New men shall be brought in as needed in each zone.

In the opening of the register as to new men, the parties shall work out a program with the Waterfront Commission which shall provide as follows:

a. The Waterfront Commission shall refer all applications for registration to the Board for screening.

b. The Board shall set up such physical and mental standards as are required by each of the various crafts. There shall also be additional standards as for example, some educational minima basis with respect to checkers and clerks, and certain skills and abilities with respect to maintenance men, carpenters, etc. After they are screened by the Board on the basis of objective standards and have passed their physical examinations they shall be referred to the Waterfront Commission for registration.

Respondents' Exhibit "R-3".

c. The Board shall assign each man to a zone in accordance with the needs of that zone.

13. The provisions of paragraphs 11 and 12 shall not apply to the men in the industry prior to October 1, 1968 who transfer from one craft to another.

14. Subject to the union security clause in the contract each such new man must become and remain a member of the union. He shall be paid the standard base wage for his craft but, except as noted below, he shall not receive any other benefits or income guarantee for the life of the contract, provided, however, that the employer shall contribute to the appropriate fringe benefit funds for all hours worked by such person. However, such men shall qualify for vacation and holiday benefits at the beginning of the next contract year effective October 1st, as well as for welfare and clinic benefits effective January 1st, if they have worked at least 700 hours in the previous contract year.

(C) DISPATCHER PROVISION
RENEGOTIATION

The parties have provided above for a dispatcher system which is intended to give Union and Management a role in the employment centers and in the dispatching of employees. In the event that any provision relating to the dispatcher system is held to be illegal by competent authority, the parties agree that they shall meet immediately after such a determination has been made for the purpose of renegotiating provisions with reference to the dispatcher system which shall conform to the principles set forth above.

* * *

Respondents' Exhibit "R-3".

PART VIII—Discrimination, Interpretations, Customs and Practices, etc.

* * *

3. Customs and Practices in effect on December 28, 1954, shall remain in effect, except as provided in Part X 4-A-6, herein.

* * *

PART X—Size of Gangs and Working Rules

1. (a) Minimum number of men in gang when loading or discharging general cargo shall be 20 men, not less than 8 holdmen and the balance of the gang to be distributed between the hold, deck and dock at the discretion of the employer. This distribution of men shall in no way affect the provisions of sub-division (b) of this Clause.

* * *

3. Effective April 1, 1966, two (2) men shall be eliminated from the general cargo gang. Effective October 1, 1967, one (1) additional man shall be eliminated from the general cargo gang.

4. ADJUSTMENTS IN MANPOWER AND FLEXIBILITY IN THE ASSIGNMENT OF MEN AND THE USE OF EQUIPMENT:

A. Notwithstanding any provision in the existing agreement, the following elements of flexibility in the assignment of men and the use of equipment shall be introduced on a portwide basis effective April 1, 1966:

1. Employers shall be required to hire only the number of clerks, checkers, other crafts and terminal labor as may be necessary to perform the work. Frozen details as now constituted shall be eliminated.

Respondents' Exhibit "R-3".

Implementation of the above provision is subject to the followng:

(a) Detail men (clerks, checkers and terminal labor only) will be continued to be employed when, in the judgment of the employer, the detail for which they are normally engaged is active. Such detail men, when ordered in, shall be assignable, at the discretion of the employer, to any other productive work within their craft jurisdiction as defined in Part I—Preamble—of the applicable agreements.

(b) Clerks hired during the regular work period to perform office work shall not be transferred to other duties on the dock duriing that period.

(c) Hatch checking presently in effect shall continue until such time as 250 regular men (clerks and checkers possessing or entitled to valid A, B, C, D or E seniority cards on the effective date of this agreement) have died, retired or become permanently separated from the industry in the Port of New York. When attrition of clerks and checkers has reached this figure (but not before April 1, 1966), all employers, who so desire, may eliminate such hatch checking as deemed unnecessary.

2. Management shall have the right to distribute the members of the gang to any assignment within the gang which they are qualified to perform. Where the practice now exists to distribute the members of the gang to any assignment within the gang which they are qualified to perform, such practice shall continue notwithstanding the provisions of paragraph 6 below.

Respondents' Exhibit "R-3".

3. Extra men that may be added to a gang may be transferred from gang to gang as needed.

4. Gangs may be transferred from hatch to hatch and from ship to ship within the same terminal provided such transfer does not cause displacement of another gang.

5. Flexibility shall not extend to the interchange of gang and terminal assignments.

6. Existing customs or practices shall be continued except under the following conditions:

   (a) Where they are contrary to specific changes set forth above in Part X, 4 (A).

   (b) Where they are contrary to specific provisions of the contract.

   (c) Where the working conditions and circumstances out of which the customs or practices arose are changed or eliminated.

B. Implementation of the changes set forth above in Part X 4 (A) will be subject to the existing contract test of safety and health as well as reasonable standards of workload upon one or more employees.

PART XI—Grievance Machinery

1. (a) Any grievance, dispute, complaint or claim arising out of or relating to this agreement, including all matters herein which expressly provide that they shall be dealt with in accordance with this Part, and including any dispute relating to the institution of new types of operation or changes in existing operations, or the application of

Respondents' Exhibit "R-3".

Part VIII, Clause 3 of this agreement, shall be handled and disposed of in the manner hereinafter provided, and all of the parties hereto agree to abide by any decisions made in accordance therewith.

(b) THE FIRST STEP. When a grievance or dispute occurs, either the Management Representative (Stevedore, Pier Superintendent or appropriate designate of the Employer) or Union Shop Steward shall immediately call the problem to the attention of the other party. Meanwhile work shall continue. Each party shall use good judgment and make every effort to arrive at a settlement consistent with the contract. Should there fail to be agreement at this level, it shall be the obligation of both parties to immediately call for an ILA Delegate, the ILA grievance adjuster, and the NYSA grievance adjuster to come at once to the point where the dispute takes place. For the purpose of settling disputes promptly each party to this agreement shall name a paid, full-time grievance adjuster.

Should there be agreement between those involved in the First Step, the agreement reached shall be reported to the Labor Relations Committee (referred to in the Third Step) for its information. In the event the grievance or dispute relates to the interpretation or application of any provision of the contract, the agreement reached shall be subject to review and revision by the LRC to assure its conformance with the provisions of the contract involved; such review shall not include a reconsideration of the facts as established in connection with the agreement reached. In the event the LRC determines that the agreement reached relates to the interpretation or application of a provision of the contract, they may either affirm or revise the agreement reached or either party may submit the matter to arbitration.

(c) THE SECOND STEP. Should the ILA Delegate and the two grievance adjusters agree, the same procedure will

be followed as in the First Step with the following exceptions: (1) All agreements reached at this step as to rates of pay on dirty cargo shall be binding and not subject to review but shall be reported to the LRC, and (2) Where an agreement cannot be reached, and where, in the opinion of the Delegate and the two grievance adjusters, the disagreement is of such a nature as to seriously impair good relations, either side may ask for immediate arbitration obtaining only the concurrence of the Chairman of their side of the LRC. Should arbitration not be required, but the matter be one which may be resolved by further discussions but cannot be agreed upon by the Delegate and the two grievance adjusters, such matter will be referred to the LRC.

(d) THE THIRD STEP. There shall be established a Joint Labor Relations Committee consisting of not more than five representatives of the Employers and not more than five representatives of the Union. The LRC shall meet weekly on a stated day and at a stated time and shall be in general charge of the Grievance Machinery and the day to day relations between the ILA and the NYSA. This Committee shall not only discuss and dispose of, on the basis of merit, all disputes referred to them, but shall have the power and authority, in the event of final disagreement and upon motion of either side, to refer any and all matters under disagreement to arbitration and arbitration shall be obigatory upon both the ILA and its Locals and the members of the NYSA.

The LRC shall have the authority to generally review the relations between the parties and to make suggestions and recommendations for bettering such relations. The Committee shall also have the authority to recommend changes for next contract opening which are in the interest of clarity, better operations and production. The Committee shall also use its best efforts to prevent, wherever

possible, disputes arising and shall exert every effort toward fair, equitable and reasonable relations.

(e) The Fourth Step:

(i) The parties shall agree on five (5) recognized arbitrators, one of whom shall be the present Port Arbitrator, to serve as a panel of arbitrators who shall be immediately available to the parties on twenty-four (24) hours telegraphic notice whenever an immediate arbitration is requested by either party. If unable to agree within 20 days after execution of the agreement, the selection shall be made under the rules of the American Arbitration Association within 30 days thereafter. Pending such selection, the Port Arbitrator shall remain as the sole arbitrator.

(ii) None of these arbitrators shall serve as Chairman of the Labor Relations Committee. The proceedings of that Committee shall be apart from the arbitration with the arbitrator hearing the matter in dispute in a separate proceeding. The vote of the Labor Relations Committee shall be by secret ballot.

(iii) Either party requesting arbitration shall refer the matter to the first arbitrator on the alphabetical list who is immediately available. After such proceeding, the name of such arbitrator shall be placed at the end of the list and he shall not again be assigned until each of the other arbitrators has either been assigned or has been requested to serve and was unavailable.

(f) Powers of the Arbitrator:

(i) The Arbitrator shall be called upon only as heretofore outlined.

(ii) He shall adjudicate all matters before him on the basis of fact and customs and practices in effect, but

shall at no time consider bona fide, a custom or practice which is instituted through job action, quicky or other unilateral action after the execution of the agreement, or which is in conflict with the contract.

(iii) Awards shall be issued as expeditiously as possible. If an award is not rendered within thirty days (unless both parties agree to extend such time period) either party shall have the right to terminate the services of that arbitrator and he shall be replaced in accordance with the procedures set forth in paragraph (e) (i) above. If the arbitrator is disabled and is thereby prevented from rendering a decision within 30 days, or if he fails to render a decision within 30 days, the parties shall refer the record and briefs to the next arbitrator for decision unless either party objects to such procedure in which event a new expedited hearing shall be held.

(g) PAYMENT OF EXPENSES AND OF FINANCIAL REQUIREMENTS. The parties shall bear equally the expenses of the arbitration procedure and of all other agreed upon expenses incurred in connection with the administration of the Plan.

(h) If either side without proper cause fails to attend a grievance or arbitration meeting, after prior day telegraphic notice, the Labor Relations Committee or arbitrator may proceed in the absence of such party.

PART XII—Containers and Mechanized Operations

1. Container Ships, Full or Partial: The gang shall be as provided for above.

2. Containers—Dravo Size or Larger:

(a) Any employer shall have the right to use any and all type of containers without restriction or stripping by the union.

Respondents' Exhibit "R-3".

[*Note:* The Memorandum of Settlement dated December 3, 1959, provided in paragraph 8 (b) as follows:

"(b) The parties shall negotiate for two weeks after the ratification of this agreement, and if no agreement is reached, shall submit to arbitration in the manner described in paragraph 13 below, the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor, such submission to be within 30 days thereafter."

For the full text of the arbitration award made pursuant to this provision, see Annex "C".]

(b) Any work performed in connection with the loading and discharging of containers for employer members of the NYSA which is performed in the Port of Greater New York whether on piers or terminals controlled by them, or whether through direct contracting out, shall be performed by ILA labor, at longshore rates.

(c) Containers owned or leased by employer-members (including containers on wheels) containing LTL loads or consolidated full-container loads, which are destined for or come from, any person (including a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo, and which either comes from or is destined to any point within a 50 miles radius from the center of any North Atlantic District port shall be stuffed and stripped by ILA labor at longshore rates on a waterfront facility under the terms and conditions of the General Cargo Agreement. (Rules on Containers are attached as Annex "B").

Respondents' Exhibit "R-3".

3. The allowance per gross ton of sugar discharged shall be as negotiated by the parties within two weeks after December 3, 1959, to be effective upon ratification.

4. Such amounts as may be paid as a result of the above allowances on containers or bulk sugar ship operation shall be contributed into a Fund to be administered by the NYSA and ILA. The parties shall negotiate for six months the use of those funds, and if agreement is not reached regarding the disposition to be made of those funds, the question of how those funds shall be distributed or used shall be submitted to arbitration in the manner described in paragraph 6 below.

5. With respect to all operations, new and old, covered by the scope of this agreement which are performed during the term of said agreement and are not specified above, the provisions of the agreement shall govern and those provisions may not be modified or varied by any arbitrator or otherwise.

6. In the event that arbitration is required with respect to the issues described in paragraph "4", above, the two parties shall designate an arbitrator from each side, who in turn shall designate the third or impartial arbitrator. In the event that the two party arbitrators cannot agree within forty-eight hours, the impartial arbitrator shall be selected as follows:

Either party will have the right to request a list of five names of arbitrators to be submitted to the parties by the Director of Federal Mediation and Conciliation Service. If within 48 hours after receipt of such a list from the said Director the parties are unable to agree upon an arbitrator, each of them shall, within 48 hours after such disagreement, cross off from the list not more than 2 names, if any, ob-

jected to and number the remaining names, indicating the order of preference and return the list to the Director. From among the persons whose names have not been crossed off, the Director shall then appoint the arbitrator, taking into consideration the order of mutual preference, if any. If the person selected by the parties or appointed by the Director declines or is unable to serve or if for any reason the appointment cannot be made from the submitted list, the Director shall designate the arbirtrator.

Any and all decisions or awards of the Arbitrators appointed hereunder shall be in writing and shall be final and binding upon all of the parties hereto and their members.

The union will not resort to a strike, work stoppage or picketing, and the employers will not resort to a lockout, at any time during the period of the negotiations previously referred to nor during the continuance of any of the proceedings provided for herein or related to this matter nor by reason of the award of the Arbitrators.

Nothing contained in this agreement shall be or be construed to constitute a limitation on the rights of either party to take any and all measures to validate the Arbitrators' award and to make such award legally effective or to invalidate.

The expenses of the arbitration proceedings and the compensation of the Arbitrators shall be borne equally by the parties.

* * *

Respondents' Exhibit "R-3".

ANNEX "B"

RULES ON CONTAINERS

The following provisions are intended to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts at deepsea piers or terminals. To assure compliance with the collective bargaining provisions, the following rules and regulations shall be applied:

RULE 1: DEFINITIONS AND RULE AS TO CONTAINERS COVERED

Stuffing — means the act of placing cargo into a container.

Stripping — means the act of removing cargo from a container.

Loading — means the act of placing containers aboard a vessel.

Discharging — means the act of removing containers from a vessel.

These provisions relate solely to containers meeting each and all of the following criteria:

(a) Containers owned or leased by employer-members (including containers on wheels) which contain LTL loads or consolidated full container loads.

(b) Such containers which come from or go to any person (including a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo.

(c) Such containers which come from or go to any point within a geographical area of any port in the North

Respondents' Exhibit "R-3".

Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

RULE 2: RULE OF STRIPPING AND STUFFING APPLIED TO SUCH CONTAINERS

A container which comes within each and all of the criteria set forth in Rule 1 above shall be stuffed and stripped by ILA longshore labor. Such ILA labor shall be paid and employed at longshore rates under the terms and conditions of the General Cargo Agreement. Such stuffing and stripping shall be performed on a waterfront facility, pier or dock. No container of cargo shall be stuffed or stripped by ILA longshore labor more than once. Notwithstanding the above provisions, LTL loads or consolidated container loads of mail, of household goods with no other type of cargo in the container, and of personal effects of military personnel shall be exempt from the rule of stripping and stuffing.

RULE 3: RULES ON NO AVOIDANCE OR EVASION

The above rules are intended to be fairly and reasonably applied by the parties. To obtain non-discriminatory and fair implementation of the above, the following principles shall apply:

(a) Agreement in the Port as to the geographic area as provided in Rule 1-(c) is based on present LTL movement patterns in the port. Should any person, firm or corporation, for the purpose of evading the provisions of Rule 2 hereof, seek to change such pattern by shifting its operations to, or commencing new operations at, a point outside said agreed-upon geographic area, then either party may raise the question whether said point should be included within the said geographic area, and upon agreement that the purpose of the shift in its operations was to evade

the provisions of Rule 2, then said point shall be deemed to be within the said geographic area for the purpose of these rules.

(b) Containers owned or leased by companies which are affiliated either directly or through a holding company with an employer-member shall be deemed to be containers owned or leased by employer-members. Affiliation shall include subsidiaries and/or affiliates which are effectively controlled by the employer-member, its parent, or stockholders of either of them.

(c) It shall be the obligation of employer-members to clearly mark each container's documentation as to whether or not it is a Rule 1 container which is to be stuffed and stripped at the waterfront facility (pier or dock).

(d) Each employer-member shall keep records of each container supplied to a consolidator or other non-owner of cargo, located within the agreed geographic area, and such record shall be available to the Committee provided in (g) below. With respect to all containers received at or delivered from the waterfront facility (pier or dock), a record of the same shall be made by ILA Checkers or Clerks.

(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay to the joint Welfare Fund liquidated damages of $250 per container which should have been stuffed or stripped.

Respondents' Exhibit "R-3".

(f) If any shippers or their agents who have at any time used, are now using, or in the future use containers owned or leased by employer-members, hereafter use containers not owned or leased by employer-members, for the purpose of evading the provisions of Rule 2 hereof, then the containers so used shall be considered to be within Rule 1 and Rule 2.

(g) A committee represented equally by management and union shall be formed and shall have the responsibility and power to hear and pass judgment on any violations of these rules. Any inability to agree shall be processed as a grievance under the applicable contract except as limited by 3 (h) hereof.

(h) If the purpose of protecting and preserving the present work jurisdiction of longshoremen and all other deepsea ILA crafts over any containers loaded with LTL cargo, or consolidated full container loads as defined herein is not accomplished by the provisions of these rules on containers, then either party shall have the right to renegotiate these provisions or any part thereof by giving notice to the other party. This provision shall not be subject to arbitration. Pending renegotiation and settlement of the given dispute, the employees may decline to work any containers involved in the dispute and such refusal to work shall not be subject to arbitration. The renegotiation referred to above will not be subject to arbitration. Interpretation of this provision shall not be determined by an arbitrator but by a court of competent jurisdiction.

CONTAINER ROYALTY

The rate of contributions now in effect shall continue.

* * *

Respondents' Exhibit "R-4A".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

July 16, 1969

Report No. 2726

"MEMORANDUM OF SETTLEMENT".

"Rule 3. Rules on No Avoidance or Evasion

The NYSA-ILA Contract Board has brought to our attention that, in some cases, the "Rules on No Avoidance or Evasion" of the Contract are not being fully complied with. Your attention is directed to Rule 3, paragraphs (c), (d), and (e) of the Rules on Containers, which are re-printed hereinafter for your information and guidance:

(c) "It shall be the obligation of employer-members to clearly mark each Container's documentation as to whether or not it is a Rule 1 Container which is to be stuffed and stripped at the waterfront facility (pier or dock).

(d) Each employer-member shall keep records of each Container supplied to a consolidator or other non-owner of cargo, located within the agreed geographic area, and such record shall be available to the Committee provided in (g) below. With respect to all Containers received at or delivered from the waterfront faciilty, (pier or dock) a record of the same shall be made by ILA Checkers or Clerks.

(e) Failure to stuff or strip a Container as required under these rules will be considered a violation

of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. If for any reason a Container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules then the steamship carrier shall pay to the joint Welfare Fund liquidated damages of $250 per Container which should have been stuffed or stripped."

The Committee referred to in part (d) herein is the NYSA-ILA Contract Board. Records of each Container supplied to a consolidator or other non-owner of cargo must be available to representatives of the NYSA-ILA Contract Board.

A. P. CHOPIN
Chairman

Respondents' Exhibit "R-4B".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

August 7, 1969

Report No. 2730

ACTION OF NYSA-ILA CONTAINER COMMITTEC, CREATED PURSUANT TO RULE (G) OF RULES ON CONTAINERS

Re: *Liquidated Damages*

On July 2, 1969 representatives of the International Longshoremen's Association, AFL/CIO, complained to the NYSA-ILA Container Royalty Fund about the movement of 12 containers in various parts of the Port of New York which were claimed to have been moved in violation of Rule 1 of the NYSA-ILA "RULES ON CONTAINERS".

After the containers had moved, the ILA filed a grievance with the NYSA-ILA Container Royalty Fund. It was pointed out to the ILA that the Container Royalty Fund did not have jurisdiction over the enforcement or implementation of the "RULES ON CONTAINERS", but that such jurisdiction belonged to the NYSA-ILA Container Committee, to which the matter was referred.

Both union and NYSA representatives fully investigated the facts with respect to each of the containers in question.

At the meeting of the NYSA-ILA Container Committee held on August 4, 1969, full reports were filed with the Committee.

The Committee determined that a violation of Rule 1 of the Container Clause existed as to each such container

because:

1. Each such container was owned by an employer-member of NYSA and contained LTL or consolidated cargo.
2. Each container came from or went to a consolidator of outbound cargo or a distributor of inbound cargo who was not the beneficial owner of the cargo.
3. Each container came from or went to a point within a 50 mile circle from the center of the Port of New York.

Accordingly, the NYSA-ILA Container Committee determined that the above containers fell within Rule 3-(e), which provides in part as follows:

> "Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties . . . If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules then the steeamship carrier shall pay to the joint Welfare Fund liquidated damages of $250 per container which should have been stuffed or stripped."

The NYSA-ILA Container Committee has directed me to advise the membership of the Association of the above violations and to take such steps as may be necessary to collect the above liquidated damages of $250 per container from each steamship carrier involved, as provided in the above Rule 3-(e).

A. P. CHOPIN
Chairman

Respondents' Exhibit "R-4C".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

November 17, 1969

Report No. 2761

ACTION OF NYSA-ILA CONTAINER COMMITTEE, CREATED PURSUANT TO RULE (g) OF RULES ON CONTAINERS

Re: Liquidated Damages
(Ref.: Reports Nos. 2726 and 2730)

At a meeting of the NYSA-ILA Container Committee held on Wednesday, November 12, 1969, the Committee found that there had been an increasing number of violations on the Rules on Containers by NYSA members in that containers from and to consolidators and distributors containing LTL or full consolidated loads were being permitted to pass over piers and terminals without stuffing or stripping with ILA labor as required by the NYSA-ILA Container Rules (Rules 1 and 2).

A number of cases were presented to the Board where containers had come from or gone to consolidators in violation of such rules. It was pointed out that unless this practice was stopped immediately that the work jurisdiction of the ILA membership would be deeply affected and that the Union has served notice that it would invoke Rule 3-(h). This rule provides as follows:

"(h) If the purpose of protecting and preserving the present work jurisdiction of longshoremen and all other deepsea ILA crafts over any containers

Respondents' Exhibit "R-4C".

> loaded with LTL cargo, or consolidated full container loads as defined herein is not accomplished by the provisions of these rules on containers, then either party shall have the right to renegotiate these provisions or any part thereof by giving notice to the other party. This provision shall not be subject to arbitration. Pending renegotiation and settlement of the given dispute, the employees may decline to work any containers involved in the dispute and such refusal to work shall not be subject to arbitration. The renegotiation referred to above will not be subject to arbitration. Interpretation of this provision shall not be determined by an arbitrator but by a court of competent jurisdiction."

The Container Committee has once again imposed liquidated damages on all of the companies found to have violated the rules. The Container Committee has determined, however, that the mere payment of liquidated damages does not, in effect, permit continuation of rule violations.

The Contract Board also determined that certain members were not abiding by the requirements of Rule 3-(c), which reads as follows:

> "(c) It shall be the obligation of employer-members to clearly mark each container's documentation as to whether or not it is a Rule 1 container which is to be stuffed and stripped at the waterfront facility (pier or dock)."

In order to avoid stuffing and stripping of containers which are otherwise exempt under the Rules, please be

advised that each container's documentation must clearly specify the identity of the beneficial owner, the nature of the cargo, as well as its origin and destination.

The Chairman was directed by the Labor Policy Committee to personally contact the top key executives of the companies involved in the foregoing memorandum with a view to acquaint them with the ramifications and consequences of any continued violations of the NYSA-ILA Containerization Clause threatened with complete renegotiation.

A. P. Chopin
Chairman

Respondents' Exhibit "R-4D".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

May 27, 1970

Report No. 2826

CONTAINERIZATION SETTLEMENTS WITH ILA

For many months, the Association and the ILA have been engaged in extensive negotiations with respect to implementation of the "Rules On Containers" which are a part of the collective bargaining agreements between the parties. In November, 1969, the ILA gave notice that it would invoke the provision of Rule 3-(h) of said Rules unless the NYSA membership corrected alleged violations of the Rules.

Early this month, the ILA gave notice that the traditional work jurisdiction of deepsea longshoremen was being threatened by certain practices including letters of concurrence issued by certain members of NYSA. ILA demanded assurances from NYSA that said Rules would be enforced according to their terms and that such concurrences would be withdrawn.

Extensive negotiations were held between the ILA and the Labor Policy Committee. On failure to reach agreement, ILA issued directions to its membership that all containers in all North Atlantic ports were to be stuffed and stripped at the piers. After the resulting stoppage of containers, further negotiations with the ILA were held by the Labor Policy Committee.

These negotiations resulted in a "Memorandum of Settlement" and an Amendment to Rule 3-(e) of the "Rules On

Respondents' Exhibit "h- D".

Containers", copies of which are attached. The settlement set forth in these documents was unanimously ratified by the membership of th Association at its special meeting on May 25, 1970.

These two documents were signed today and become effective immediately.

Please be guided accordingly.

A. P. Chopin
Chairman

Enclosures

MEMORANDUM OF SETTLEMENT OF DISPUTE ON THE RULES ON CONTAINERS BETWEEN INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO AND ITS AFFILIATED LOCALS AND THE MEMBERS OF NEW YORK SHIPPING ASSOCATION, INC.

It is agreed as follows:

1. The Rules on Containers will be amended to increase the liquidated damage amount set forth in Rule 3(e) to $1,000. per container which should be stuffed or stripped and to provide for payment thereof to the joint Container Royalty Fund. (Copy of Amendment is attached).

2. The Labor Policy Committee of New York Shi ping Association, Inc. will advise each of the North At tic Ports of the above amendment to the Rules on Conta. ers and would recommend a similar amendment in each ch Port. If such amendment is not made in such other Ports, the Labor Policy Committee will recommend to the members of New York Shipping Association, Inc., that each steamship company-member of the Association bind itself to pay said $1,000. liquidated damages for any violation of the Rules on Containers as provided in Rule 3(e) in any North Atlantic Port in which such steamship-member operates.

Respondents' Exhibit "R-4D".

3. All concurrences will be withdrawn and none will be issued in the future by members of New York Shipping Association, Inc.

4. New York Shipping Association, Inc. will undertake all necessary steps to assure full compliance by its members to the Rules on Containers. The joint Committee which negotiated the Rules on Containers will re-convene on Wednesday, May 27, 1970 for the purpose of clarifying any questions of interpretation with respect to said rules.

For Members of NEW YORK
SHIPPING ASSOCIATION, INC.

For INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION, AFL-CIO

Dated: New York, N. Y.
May 27, 1970

THIS AGREEMENT made this 27th day of May, 1970, by and between the members of NEW YORK SHIPPING ASSOCIATION, INC., (NYSA) and the INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, and its affiliated Locals (ILA).

WITNESSETH

WHEREAS on or about the 12th day of January, 1969, the parties hereto agreed to the Rules On Containers, which are set forth as Annex "B" of the General Cargo Agreement between the parties for the term October 1, 1968 to September 30, 1971; and

Respondents' Exhibit "R-4D".

WHEREAS the preamble thereto specifically provides that the Rules On Containers "are intended to protect and preserve the work jurisdiction of longshoremen and other ILA crafts at deepsea piers or terminals"; and

WHEREAS the ILA has brought to the attention of NYSA that the liquidated damages provided by Rule 3 (e) of said Rules has not had the intended effect of protecting said work jurisdiction or compensating for a breach of the Rules On Containers because the amount of $250 is substantially less than the cost of stuffing or stripping a container on the pier; and

WHEREAS the parties hereto desire to amend said Rule 3 (e) to increase said amount of liquidated damages to an amount commensurate with the cost of stuffing or stripping a container on piers or terminals;

NOW, THEREFORE, the parties agree as follows:

1. Rule 3 (e) is hereby amended to read as follows:

   "(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay to the joint Container Royalty Fund liquidated damages of $1,000 per container which should have been stuffed or stripped".

2. Each and every other provision of the "Rules on Containers", except as amended by paragraph 1, shall remain in full force and effect.

Respondents' Exhibit "R-4D".

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

For the

NEW YORK SHIPPING ASSOCIATION, INC.
Labor Policy Committee

For the

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO

Committee for the International Longshoremen's Association and its Affiliated Locals

Respondents' Exhibit "R-4E".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

July 8, 1970

Report No. 2839

CONTAINER RULES

At a recent meeting of the Technical Container Committee it was requested that the New York Shipping Association re-circulate the attached Report No. 2761 describing previous actions of the NYSA-ILA Container Committee.

Also, please note the following resolution, unanimously adopted by the NYSA-ILA Container Committeee in regard to container stations away from the piers or docks:

> "All containers, containing LTL or full consolidated loads destined for the Port of New York area, as defined by the 'Rules on Containers', are to be stuffed or stripped on piers or docks, without *any* exception."

A. P. CHOPIN
Chairman

Enclosure

Respondents' Exhibit "R-4F".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

August 31, 1970

Report No. 2856

CONTAINER RULES
(Ref. Report No. 2839)

At a meeting of the NYSA-ILA Container Committee held on Friday, August 28, 1970, the Committee considered whether the following factual situations performed within fifty miles of the Port of New York violated the Rules on Containers:

1. A consolidation station at a pier, (which is operated for the account of a single carrier) manned by deepsea ILA labor, where no ships are loaded or discharged, and where LTL containers with LTL or full consolidated container loads are delivered to or from various carriers.

2. Operation by a member carrier of a consolidation station *several miles from* a waterfront facility, pier or dock, where the loading and stripping of LTL or full consolidated container loads is performed by ILA deepsea labor working under the terms of the General Cargo Agreement.

3. Consolidation by a single owner, including a foreign governmental agency, of various commodities in containers at a trucking station or consolidation station, at a location away from a waterfront facility, pier or dock, where the stuffing or stripping of

containers is not performed by the employees of the owner of the cargo.

The NYSA-ILA Container Committee determined that each of the above situations was in violation of the Rules on Containers and its resolution of June 24, 1970, as contained in Report No. 2839, which provides as follows:

> "All containers, containing LTL or full consolidated loads destined for the Port of New York area, as defined by the 'Rules on Containers', are to be stuffed or stripped on piers or docks, without *any* exception."

* * * * *

A. P. CHOPIN
Chairman

Respondents' Exhibit "R-4G".

(SEAL)

NEW YORK SHIPPING ASSOCIATION, INC.

80 BROAD STREET NEW YORK 4, N.Y. Whitehall 3-2740

May 12, 1972

Report No. 3008

NOTICE TO ALL STEAMSHIP CARRIERS AND DIRECT EMPLOYERS

Attached please find letter of May 11, 1972 from Mr. Thomas W. Gleason, President of the International Longshoremen's Association, charging continuous violations of the container rules.

Mr. Gleason has given notice that ". . . unless all violations are stopped immediately, I shall have no other alternative but to give notice under Clause 3-(h) of the 'Rules on Containers'."

All carriers and direct employers are hereby given notice that the "Rules on Containers" must be strictly observed.

The ILA is particularly disturbed by the increased use of consolidators and truckers to perform work which is clearly within the jurisdiction of the ILA under the contracts.

NYSA intends to make spot audits and inspections commencing immediately. Any and all violations will be reported to the NYSA-ILA Container Committee for the imposition of $1,000 per container liquidated damages.

THE IMMEDIATE ATTENTION OF ALL CARRIERS AND DIRECT EMPLOYERS TO THIS URGENT AND IMPORTANT NOTICE IS REQUESTED.

JAMES J. DICKMAN, President
Alexander P. Chopin, Chairman
New York Shipping Association, Inc.

Enclosure

Respondents' Exhibit "R-4G".

(Seal)

Office of
THOMAS W. GLEASON, *President*
17 Battery Place, New York, N.Y. 10004
Suite 1530

Telephone: HAnover 5-1200

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

Affiliated with AFL-CIO and Canadian Labour Congress

New York, N. Y. 10004

May 11, 1972

Mr. James Dickman, Chairman
New York Shipping Association, Inc.
80 Broad Street
New York, N.Y. 10004

Dear Mr. Dickman:

As Chairman on the Contract Board, I have, on many occasions, discussed the continuous violations of the container provisions of our collective bargaining agreement that have been in effect since 1969. These violations have now grown to where there is a complete abrogation and disregard of our contract with respect to the loading and stripping provisions.

As I have stated in the past, it would take the FBI, CIA and every other agency to investigate and stop these violations. If the employers were acting in good faith, they themselves could stop the violations overnight.

Respondents' Exhibit "R-4G".

I therefore serve notice on you that unless all violations are stopped immediately, I shall have no other alternative but to give notice under Clause 3(h) of the Rules on Containers.

I would like a reply as to the immediate action you and the Association will take to effectively stop all violations of our agreement.

I am looking forward to your answer by Monday morning, May 15, 1972.

Sincerely,

/s/ THOMAS W. GLEASON
Thomas W. Gleason
President

Respondents' Exhibit "R-5".

(Seal)

NATIONAL LABOR RELATIONS BOARD

REGION 22

Federal Building, 970 Broad Street

Newark, New Jersey 07102

September 24, 1969

Charles H. Rosenberg, Esquire
Jaffe, Shaw & Rosenberg
51 Madison Avenue
New York, New York

Re: International Longshoremens Association
(*Intercontinental Transport Corp.*)
Case Numbers 22-CE-12 and
22-CC-389

Dear Mr. Rosenberg:

The above-captioned cases, alleging violations of Sections 8(e) and 8(b)(4)(B) of the National Labor Relations Act, as amended, have been carefully investigated and considered.

As a result of the investigation, it appears that the so-called "containerization" clause contained in the current contract between the International Longshoremens Association and the New York Shipping Association, which you allege violates Section 8(e) of the Act has, as its object, the preservation of work performed by longshoremen who are employed by the New York Shipping Association and represented by the International Longshoremens Association rather than, as contended by you, an object of requiring members of the New York Shipping Association to cease doing business with other employers. In this connection, it is noted that the "stuffing and stripping" of

containers traditionally has been performed by these longshoremen. Therefore, as the clause is intended to preserve unit work, it does not come within the proscription of Section 8(e). See *National Woodwork Manufacturers Assn.* v. *N.L.R.B.*, 386 U.S. 612; *Fibreboard Paper Products Corp.* v. *N.L.R.B.*, 379 U.S. 203. Similarly, the imposition of a $250.00 fine upon employer-members of the New York Shipping Association for each container handled in violation of this clause and the Union's maintenance of this clause relates solely to preservation of traditional work and, therefore, is not violative of Section 8(b)(4)(B) of the Act. *National Woodwork Manufacturers Assn., supra.* Accordingly, further proceedings are not warranted in this matter and I am, therefore, refusing to issue complaint.

Pursuant to the National Labor Relations Board Rules and Regulations, you may obtain a review of this action by filing an appeal with the General Counsel of the National Labor Relations Board, Washington, D. C. 20570, and a copy with me. This appeal must contain a complete statement setting forth the facts and reasons upon which it is based. The appeal must be received by the General Counsel in Washington, D. C., by the close of business on October 7, 1969. Upon good cause shown, however, the General Counsel may grant special permission for a longer period within which to file. A copy of any such request for extension of time should be submitted to me.

Very truly yours,

/s/ JOHN J. CUNEO
John J. Cuneo
Regional Director

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Respondents' Exhibit "R-5".

cc: General Counsel, NLRB
Washington, D. C. 20570

Intercontinental Container Transport Corp.
Shed 195, E-F
Export Street
Port Newark, New Jersey 07114

Thomas W. Gleason, Esquire
Gleason & Miller
300 E. 40th Street
New York, New York

International Longshoremens Association
17 Battery Street
New York, New York

New York Shipping Association
80 Broad Street
New York, New York 10004

Alfred Giardino, Esquire
Lorenz, Finn & Giardino
21 West Street
New York, New York

Dart Container Corp.
90 Church Street
New York, New York

United States Line
No. 1 Broadway
New York, New York

Respondents' Exhibit "R-6".

(SEAL) NATIONAL LABOR RELATIONS BOARD

OFFICE OF THE GENERAL COUNSEL

Washington, D.C. 20570

October 16, 1970

Re: International Longshoremen's Assn.
(Intercontinental Transport Corp.)
Cases Nos. 22-CE-12
22-CC-389

Charles H. Rosenberg, Esq.
Jaffee, Shaw & Rosenberg
51 Madison Avenue
New York, New York 10010

Dear Mr. Rosenberg:

Your appeal in the above matters has been duly considered. The appeal is denied. Essentially for the reasons stated in the Regional Director's letter of September 24, further proceedings herein were unwarranted. The evidence indicated that the only instances of apparent nonconformity to the containerization provisions were attributable to the Union's oversight or to the fact that the non-association employer owned its own containers and therefore did not come under the clause. It was noted that the Union is now maintaining a much tighter watch for possible infractions of the containerization provisions.

Very truly yours,

ARNOLD ORDMAN
General Counsel

By /s/ IRVING M. HERMAN.
Irving M. Herman
Director, Office of Appeals

Respondents' Exhibit "R-6".

cc: Director, Region 22
Intercontinental Container Transport Corp., Shed 195, E-F, Export Street, Port Newark, New Jersey 07114
Thomas W. Gleason, Esq., Gleason & Miller, 300 E. 40th Street, New York, New York
International Longshoremen's Assn., 17 Battery Street, New York, New York
New York Shipping Association, 80 Broad Street, New York, New York 10004
Alfred Giardino, Esq., Lorenz, Finn & Giardino, 21 West Street, New York, New York
Dart Container Corp., 90 Church Street, New York, New York
United States Line, No. 1 Broadway, New York, New York

CERTIFIED MAIL

Respondents' Exhibit "R-7".

NYSA-ILA
CONTRACT BOARD

N.Y.S.A.
80 Broad Street
New York, N.Y. 10004

I.L.A.
17 Battery Place
New York, N.Y. 10004

October 31, 1972

NOTICE TO ALL STEAMSHIP CARRIERS AND
DIRECT EMPLOYERS

At a meeting of the NYSA-ILA Contract Board held on Friday, October 27, 1972, the Contract Board discussed the increaing number of violations of the Rules on Containers and the spread of consolidation stations operated by steamship carriers as well as by those outside the industry. Continuing operation of these facilities are threatening the job opportunities of longshoremen covered by the Guaranteed Annual Income and are creating unnecessary GAI costs to the industry.

The ILA took the position at the meeting that:

1. It appears that the industry was unable to police itself and to live up to the contractual Rules on Containers.
2. That certain carriers were taking undue advantage by opening or operating consolidation stations away from the piers.
3. Container documents were not being clearly marked as required by the Rules on Containers as to whether or not they were Rule 1 Containers (i.e. to be stuffed or stripped by ILA labor).

Respondents' Exhibit "R-7".

The ILA representatives stated that continuance of such practices would require the ILA to reopen the Rules on Containers, as it has a right to do under Clause 3 (h). On such reopening, no containers would be moved by ILA labor unless they were first stuffed or stripped by ILA labor. The ILA took the further position that it would not permit discriminatory application of the Rules. To do so would threaten the continued validity of such Rules and the jurisdiction of the ILA.

The Employer-Members of the NYSA-ILA Contract Board were in unanimous agreement with the ILA that the Rules on Containers must be lived up to, as agreed to, written, and interpreted.

The attention of the membership is therefore called to NYSA Reports Nos. 3008, 2856, 2839, 2826, 2761, 2730 and 2726 which explain such rules in detail.

The ILA has warned that no further notice will be given to the industry. The cooperation of all concerned is respectfully requested in order to avoid the invocation of Rule 3(h).

/s/ James J. Dickman
James J. Dickman
Co-Chairman

/s/ Thomas W. Gleason
T. W. Gleason
Co-Chairman

Respondents' Exhibit "R-8".

NYSA-ILA Rules on Containers

On November 20, 1972 at 10:30 A.M. a meeting was held between the ILA and the major container carriers in the Port.

The purpose of the meeting was to develop methods and means of enforcing the Rules on Containers.

Present Were:

For the ILA—

Thomas W. Gleason,
President
John Bowers,
Executive Vice President
Fred. R. Field, Jr.,
General Organizer
Anthony Scotto,
Vice President
Vincent Colucci,
ACD Vice President
William Murphy,
ILA Vice President
Walter L. Sullivan,
Secretary, ACD
Lester Gardner,
ACD Vice President
T. W. Gleason, Esq.

For NYSA—

James J. Dickman,
President NYSA
Larry Buser,
President, American Export Lines
M. R. McEvoy,
Chairman—Sea-Land Service
Chairman—CONASA-ILA Container Com.
Chairman—NYSA-ILA Container Com.
Peter Sandland,
Dart Container Line
A. T. Aberson,
Atlantic Container Line
E. Oelsner,
Agent—Hapag Lloyd
A. T. DeSmedt,
President—Prudential-Grace
Carl Swenson,
E.V.P.—Farrell Lines
F. X. McQuade,
President—I.T.O.
Member-CONASA-ILA Container Com.
Member-NYSA-ILA Container Com.
R. Carter,
President—T.T.T.
E. Heine,
President—U.S. Lines
John Morano,
V. P.—Prudential-Grace
Howard Pack,
President—Seatrain
C. P. Lambos, Esq.

Respondents' Exhibit "R-8".

The meeting was opened by Mr. Dickman who said that the meeting had been called in order to discuss the mutual problems created by the Rules on Containers and methods to assure compliance by all carriers with the requirements of the Rules.

Mr. Gleason stated that the cooperation of all steamship companies was necessary—he felt that they were not giving the ILA and NYSA the necessary cooperation—or that they were doing all that could be done. He said the burden is on the companies to abide by the Rules. He stated that if the industry and the ILA are unable to self police their own contractual commitments then obviously other agencies will intrude and will enforce such compliance.

He further stated the ILA does not want the stigma that the Rules are not being uniformly and non-discriminatorily applied. He desires that there be uniformity in the interpretation and application of the Rules on Containers.

The ILA further stated that there was a loss of many millions of hours as a result of the carriers' stuffing and stripping all containers required to be stuffed and stripped under the Rules.

In the presence of the Union there were many suggestions made with respect to methods of enforcing compliance including the change of documentation, the increase of liquidated damages, the bringing in of an outside police agency, the bounty system—where men on the pier would be given a percentage of the container royalty liquidated damages for each container found by them to have been moved in violation of the Rules, etc.

Discussion was also had with respect to various consolidation stations that are well known and the ILA stated that the carriers should be willing not to send any of their containers to these well known consolidation stations.

Respondents' Exhibit "R-8".

The carriers stated that they were not willfully or knowingly sending the containers there but that once the containers left their control that it was difficult to know where the containers might end up.

Mr. Gleason stated nevertheless that in Miami and at the Sheraton Hotel he as President of the ILA had many times taken the position in favor of the employers where the employers were right—now he was asking the employers to support the ILA where the ILA position was clearly right. He further stated that he did not want any change in the present collective bargaining agreement but that he wanted the Rules on Containers enforced as they were written and as they were intended. He further stated that unless an affirmative program was developed by the carriers that the Union would have no alternative except to enforce Rule 3 (h) and to stop the movement of all containers. He stated that the ILA did not want to be forced to this position because it was interested in protecting the fiscal health of the industry. However, he did warn the carriers present that it was necessary that they change their attitude and begin to enforce the Rules on Containers and not listen to their traffic people who were coming up with various devices and gimicks to circumvent the Rules.

At this point the carriers stated that they would go into a caucus and that they would advise the Union of their position.

The caucus lasted approximately one hour and twenty minutes and finally a proposal was developed with five points as follows:

1. Any facilities not operated in complete accord with the Contract will be closed down.

Respondents' Exhibit "R-8".

2. A committee will develop uniform documentation to be required by all carriers in order to identify all Rule 1 Containers.

3. All carriers present would share information on claimed violations and all agreed to cooperate in ending such violations which were brought to their attention.

4. Uniform interpretation on the Rules on Containers would be issued at the earliest possible moment.

5. The Union would cooperate in not supplying labor to any facilities which were operated in violation of the Rules on Containers.

At that point after these five points had been developed, the ILA returned to the meeting room.

The Union took the position that the first point above would only apply to two facilities—one operated by Seatrain in Seacaucus and the other operated by Sea-Land on 19th Street. They further stated that the Seacaucus facility was a temporary one until Seatrain developed its on-the-pier facilities, they had already entered into a lease of some sixteen acres from Penn Central and they would be transfering their LTL station to the waterfront. They further pointed out that the 19th Street facility had been in operation for more than ten years and was a minor facility. He stated that the carriers would have to agree not to dispatch their containers to any facilities not operated in complete accord with the Contract. Thereupon, the first point was amended to read as follows:

> "Carriers will not dispatch containers to any facilities not operated in complete accord with the Contract and the carriers will agree not to give any of their containers to consolidators."

Respondents' Exhibit "R-8".

There was again discussion with respect to the inability of carriers to control the places that the containers go after the delivery to the beneficial owner. However, it was pointed out that any containers that came back from a consolidator would be stripped by ILA labor.

The whole matter was delegated to Co-counsel to work out the necessary agreement and language.

C. P. LAMBOS

Respondents' Exhibit "R-9".

Copies sent to others who attended the Nov. 20, 1972 Meeting at the Whitehall Club

(EMBLEM)

NEW YORK SHIPPING ASSOCIATION, INC.
80 Broad Street · New York 4, N.Y. · WHitehall 3, 2740

American Export Lines, Inc. December 19, 1972
Atlantic Container Line, Ltd.
Hart Containerline, Incorporated
Farrell Lines, Incorporated
Prudential—Grace Lines, Inc.
Sea-Land Service, Inc.
Seatrain Lines, Inc.
Transamerican Trailer Transport, Inc.
United States Lines, Inc.
United States Navigation, Inc.

Re: RULES ON CONTAINERS

Gentlemen:

I enclose for your consideration a draft of six points developed by Co-Counsel with respect to enforcement of the Rules on Containers. These points were discussed at the November 20, 1972 meeting at the Whitehall Club.

I would very much appreciate any comments that you may have on this document so that it may be presented to the January CONASA-ILA Meeting for consideration.

It would also be appreciated if each company would designate one member of its staff to work on the uniform documentation provided in Paragraph 3 thereof.

Your comments would be appreciated by January 5, 1973.

Very sincerely,

/s/ JAMES J. DICKMAN
James J. Dickman
President

Enclosure

Respondents' Exhibit "R-9".

December 18, 1972

DRAFT

RE: ENFORCEMENT OF RULES ON CONTAINERS

The following Rules are hereby promulgated to assure fair and non-discriminatory enforcement of the CONASA-ILA Rules on Containers.

1. All consolidated or LTL container loads will be stripped or stuffed at the pier by deepsea ILA labor out of the container in which the cargo arrived at the pier. Such cargo shall not be replaced in the same container in which it arrived at the pier. Incoming cargo from a consolidated or LTL container load will be picked up by each consignee at the pier.

2. No carrier or direct employer shall supply its containers to any facilities operated in violation of the Rules on Containers including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder who is neither a consolidator or a distributor. No carrier or direct employer shall operate a facility in violation of the Rule on Containers which specifically require that all containers be operated at a waterfront facility (pier or dock) where vessels are being bound.

   A list shall be maintained of consolidation and distribution stations which are operated in violation of the Rules for the information of all carriers and direct employers. Any container coming from or going to any such facility shall be deemed a violation.

3. A committee of carriers, together with CONASA-ILA Container Committee will develop uniform docu-

mentation which shall be required to be prepared and maintained by all carriers in order to readily identify all Rule 1 containers which are subject to stuffing or stripping by deepsea ILA labor.

4. All carriers will share among themselves any and all information and devices which are being used by any person to circumvent the Rules on Containers. Any carrier whose attention is brought to a violation of the Rules by any of the staff shall immediately cease such violation and report the matter to the NYSA-ILA Container Royalty Fund.

5. The Container Committee shall promulgate to all carriers and direct employers any and all interpretations of the Rules on Containers as and when they are made. This will include uniform interpretations as and when they are issued by the CONASA-ILA Container Committee.

6. Any facilities operated in violation of the Container Rules will not have service supplied to it by any direct employer and the ILA will cooperate by not supplying labor to such facilities.

Respondents' Exhibit "R-10".

February 28, 1962

Where an employer member of NYSA supplies a container which is the property of such member, to a consolidator for loading or discharging of cargo in the Port of Greater New York, it will be stipulated that such container must be loaded or unloaded by ILA labor at longshore rates.

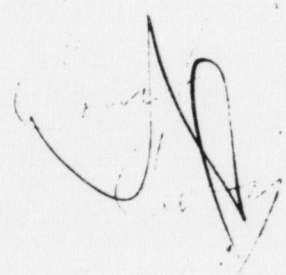
If the container is not supplied by the employer-member, then the royalty payments fixed by the arbitrator shall apply depending on the type of the ship used.

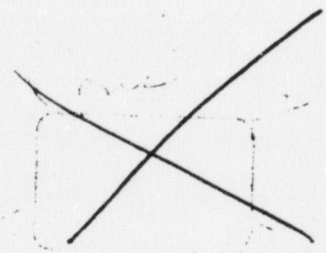
Respondents' Exhibit "R-12".

Employment Statistics For
Longshoremen, Clerks, Checkers, etc.
Reported by New York Shipping Association

Contract Year Ending	*Total Employees*	*Total Hours Worked*	*Total Wages*	*Total GAI Expense*
9/30/51	48,791	44,415,934.5	$104,890,800	
9/30/52	51,282	44,260,828	108,527,518	
9/30/53	49,293	44,164,225	116,144,365	
9/30/54	41,333	37,813,991	102,061,108	
9/30/55	34,639	42,165,617.5	117,652,846	
9/30/56	31,645	46,094,411.5	132,909,540	
9/30/57	34,146	45,243,034	140,284,563	
9/30/58	31,629	42,835,226	133,466,933	
9/30/59	30,428	44,695,693.5	143,835,273	
9/30/60	29,767	43,270,227.5	144,855,716	
9/30/61	27,999	40,782,901.5	138,727,145	
9/30/62	27,134	42,023,133	145,533,208	
9/30/63	28,224	40,201,556.5	147,887,900	
9/30/64	25,542	42,148,092.5	157,455,521	
9/30/65	25,033	40,757,634	160,629,874	$ 33,755
9/30/66	24,825	43,695,543.5	175,112,163	1,717,757
9/30/67	24,599	40,722,166	166,499,147	1,675,974
9/30/68	23,565	39,844,741	169,961,891	3,070,219
9/30/69	22,531	33,935,416	154,996,290	5,986,030
9/30/70	19,962	32,853,146	161,063,292	24,340,472
9/30/71	17,568	30,849,623	165,172,465	29,023,868
9/30/72	16,741	22,627,084	132,197,865	33,493,141

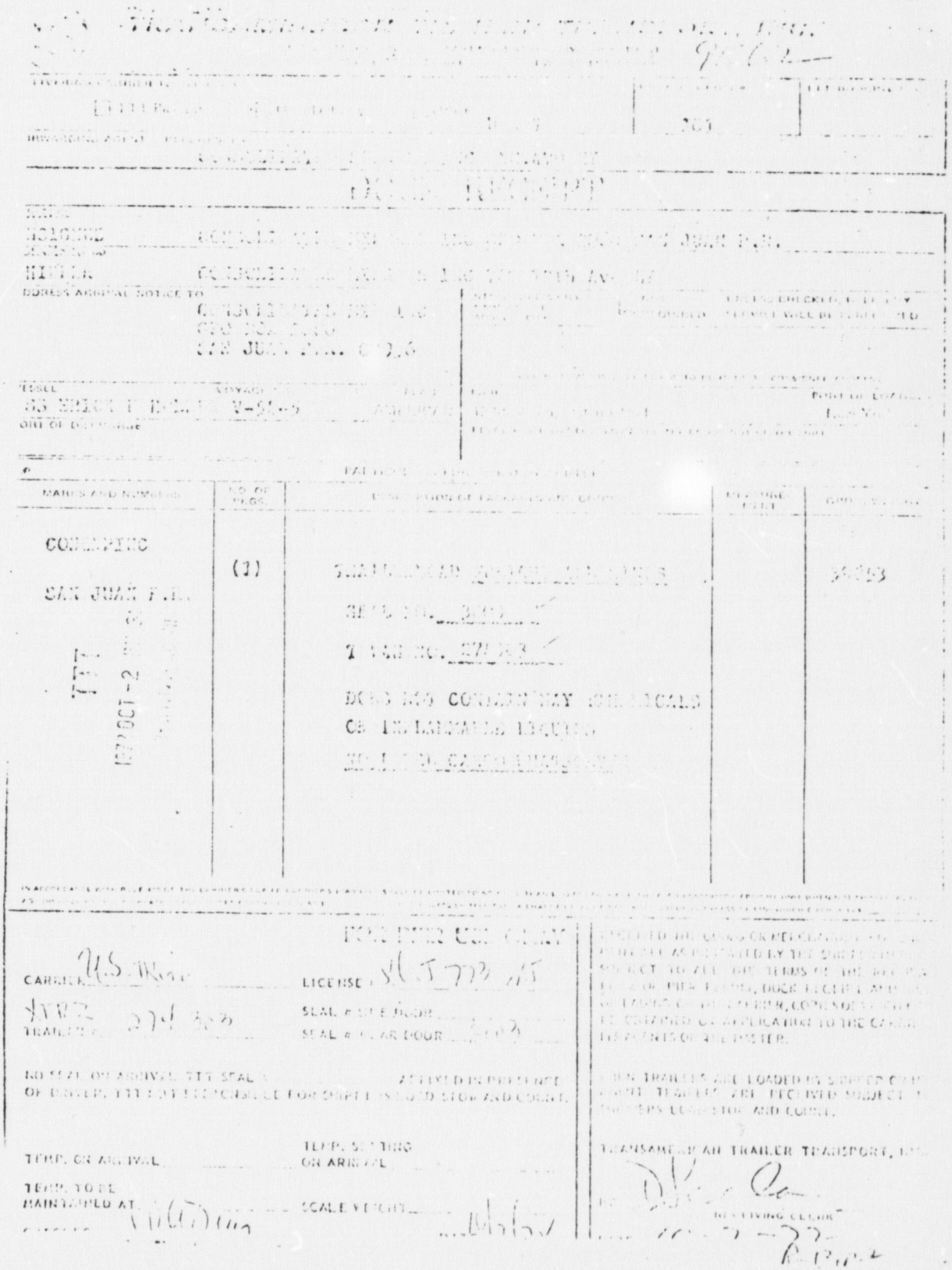
Excerpts from Respondents' Exhibit "R-13."





ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".



ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TRANSAMERICAN TRAILER TRANSPORT INC.
L. C. L. SHORTAGE

DATE 10-3-23 CAR 3 W/S 41,168 3
CONTAINER # 3 SEAL 3 WEIGHT
SHIP VOYAGE # CUBE

D. L. S.	DR #	NO. OF PKGS.	MARKS	COMMODITY	CUBE	WTS.	RAIL CAR # OR SHIPPER	CONSIGNEE
			[illegible]					
			Please Note Any					
			Charges, Demurrage & Lay					
			Seal Number on this Form.					
			Cargo has been Unloaded					
			Loaded into Same Unit.					
			Checker Signature	Tracy				

R-13, P 3

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TRANSAMERICAN [illegible]

DELIVERING CARRIER TO STEAMSHIP

[ ] TTT Pick up [ ] Own Delivery [ ] Other U.S.T.

DOCK RECEIPT # 101 95 TTT SHIPPING NO. 14

FORWARDING AGENT — REFERENCES CONSOLIDATED EXPRESS INC NO. 170 30

DOCK RECEIPT

SHIPPER CONSOLIDATED EXPRESS INC 700 MAYAGUEZ PR

CONSIGNED TO CONSOLIDATED EXPRESS INC GPO BOX 2080 SAN JUAN P.R.

ADDRESS ARRIVAL NOTICE TO
CONSOLIDATED EXPRESS INC
GPO BOX 2080
SANN JUAN P.R. 00936

STORE DOOR DELIVERY NAME STREET ADDRESS CITY [ ] NOT REQUIRED — UNLESS CHECKED, DELIVERY SERVICE WILL BE PERFORMED

ENTER NAME IF DELIVERY IS TO BE MADE TO CONSIGNEE (PIER)

VESSEL ERICK K HOLZER VOYAGE NO. V-54-S FLAG AMERICAN

PIER 13 Stapleton, Staten Island PORT OF LOADING New York

PORT OF DISCHARGE

FINAL PORT DESTINATION (IF THE GOODS ARE OF THE SHIP)

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
CONEXPINC SAN JUAN P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T VAN NO. 790644 SEAL NO. 3002 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMABLE LIQUIDS NO LABEL CARGO WHATSOEVER		32,925

1972 OCT -2 RECD

IN ACCORDANCE WITH RULE 410 OF THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO NOT MORE THAN $500 PER PACKAGE, PIECE OR CUSTOMARY FREIGHT UNIT WHICH EVER SHALL BE THE LESSER AMOUNT PER PACKAGE OR PIECE UNLESS A GREATER VALUE IS SET FORTH HEREIN AS $ _____ AND UNLESS SHIPPER PAYS A CHARGE OF 2% OF DECLARED VALUE IN EXCESS OF $500 WHICH CHARGE IS $ _____

FOR PIER USE ONLY

CARRIER U.S.T. LICENSE # XBAGCT

TRAILER # RTTZ 790644 SEAL # SIDE DOOR — SEAL # REAR DOOR 3002

NO SEAL ON ARRIVAL TTT SEAL # _____ AFFIXED IN PRESENCE OF DRIVER. TTT NOT RESPONSIBLE FOR SHIPPER'S LOAD STOW AND COUNT.

TEMP. SETTING
TEMP. ON ARRIVAL _____ ON ARRIVAL _____

TEMP. TO BE MAINTAINED AT _____ SCALE WEIGHT _____

CHECKED [illegible] DATE 10-2-72

RECEIVED THE GOODS OR MERCHANDISE FOR SHIPMENT ALL AS INDICATED BY THE SHIPPER HEREIN SUBJECT TO ALL THE TERMS OF THE [illegible] FORM OF PIER PERMIT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER OR AGENT TRAILERS ARE RECEIVED SUBJECT SHIPPERS LOAD STOW AND COUNT.

TRANSAMERICAN TRAILER TRANSPORT, INC.

BY [signature] RECEIVING CLERK

DATE 10-2-72

R-13. p. 4

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TRANSAMERICAN TRAILER TRANSPORT INC.
L. C. L. STOWAGE

DATE: 10-2-72 O/D SEAL 3007 N/S WEIGHT 42667
CONTAINER # 72661U
SHIP VOYAGE # CUBE

	DIR #	NO. OF PKGS.	MARKS	COMMODITY	CUBE	WTS.	RAIL CAR # OR SHIPPER	CONSIGNEE
			To Quad Logistics.					
			Please Note / ay					
			Charges, Damages & Nay					
			Seal Number on this Form.					
			Cargo has been Unloaded					
			&Loaded into Same Unit.					
			Checker Signature					

R-13.1.5

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

960[illegible]

DELIVERING CARRIER TO STEAMER: [ ] TTT Pick-up [ ] Dock Delivery [X] Other: U. S. T.

DOCK RECEIPT # 101

TTT BOOKING NO.

FORWARDING AGENT: CONSOLIDATED EXPRESS INC. NO. 491-BY

SHIPPER: CONSOLIDATED EXPRESS INC., 769 - 12TH AVE., NEW YORK, N. Y.

CONSIGNED TO: CONSOLIDATED EXPRESS INC., G.P.O. BOX 2080, SAN JUAN, P. R.

ADDRESS ARRIVAL NOTICE TO: CONSOLIDATED EXPRESS INC. G.P.O. BOX 2080 SAN JUAN, P. R. 00936

STORE DELIVERY WITH CUSTOMS AT ABOVE CITY: [X] NOT accepted — UNLESS CHECKED, DELIVERY SERVICE WILL BE PERFORMED

ENTER SPECIAL DELIVERY IS TO BE MADE TO CONSIGNEE ADDRESS

VESSEL: ERIC K HOLDER VOYAGE NO: 54-S FLAG: AMERICAN

PIER: 13 Staten Island, Staten Island — PORT OF LOADING: New York

PORT OF DISCHARGE: SAN JUAN

FINAL PORT DESTINATION OF THE GOODS NOT OF THE SHIP

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
CONEXPINC. SAN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 790[illegible] SEAL NO. 3005 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER		35,672#

TTT 1972 OCT-3 AM 10:03 NEW YORK, N.Y.

IN ACCORDANCE WITH RULE 415 OF THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO $50 PER PACKAGE, PIECE OR EXCLUSIVE FREIGHT UNIT WHEN NOT SHIPPED AS PACKAGE OR PIECE UNLESS A GREATER VALUE IS SET FORTH HEREIN. AND UNLESS SHIPPER PAYS A CHARGE OF [illegible] DECLARED VALUE IN EXCESS OF $50 WHICH CHARGE IS [illegible]

FOR TTT USE ONLY

CARRIER: United States T. LICENSE # [illegible]

TRAILER # [illegible] SEAL # SIDE DOOR [illegible]

SEAL # REAR DOOR [illegible]

NO SEAL ON ARRIVAL TTT SEAL #. _____ AFFIXED IN PRESENCE OF DRIVER. TTT NOT RESPONSIBLE FOR SHIPPERS LOAD STOW AND COUNT.

TEMP. ON ARRIVAL _____ TEMP. SETTING ON ARRIVAL _____

TEMP. TO BE MAINTAINED AT _____ SEAL # VERIFIED _____

CHECKER [illegible] DATE 10-3-72

RECEIVED THE GOODS OR MERCHANDISE FOR SHIPMENT ALL AS INDICATED BY THE SHIPPER HEREOF SUBJECT TO ALL THE TERMS OF THE REGULAR FORM OF PIER PERMIT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER OR ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER OR AGENT TRAILERS ARE RECEIVED SUBJECT TO SHIPPERS LOAD STOW AND COUNT.

TRANSAMERICAN TRAILER TRANSPORT, INC.

BY [illegible] RECEIVING CLERK

DATE 10-3-72

R-13, P 6

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TRANSCONTINENTAL TRAILER TRANSPORT INC.

L. C. L.

TO [illegible] (A) [illegible] N.S
DEALER [illegible] VEHICLE [illegible] WEIGHT 47684
ID [illegible] CUBE [illegible]

DEL #	NO. OF PKGS.	PKGS.	COMMODITY	CHG.	VAL.	PAY CHG'S OR ORDER	CONSIGN'S
		[illegible]					
		[illegible]					
		[illegible]					
		[illegible]					
		[illegible]					
		[illegible]					
		[illegible]					
		[illegible]					

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TRANSAMERICAN TRAILER TRANSPORT, INC.

203001

DELIVERING CARRIER TO EFFECT: ☐ Pier ☐ Own Delivery ☐ Other U. S. T. | DOCK RECEIPT # 9559 101 | TT BOOKING #

FORWARDING AGENT (REFERENCE)

CONSOLIDATED EXPRESS INC. NO. 10 PIER

BOSTON, MASSACHUSETTS

SHIPPER: CONSOLIDATED EXPRESS INC., 260 - 12TH AVE., NEW YORK, N. Y.

CONSIGNED TO: CONSOLIDATED EXPRESS INC., G.P.O. BOX 2080, SAN JUAN, P.R.

ADDRESS ARRIVAL NOTICE TO:
CONSOLIDATED EXPRESS INC.
G.P.O. BOX 2080
SAN JUAN, P. R. 00936

FROM: DELIVERY ☐ / ARRIVAL ☐ ☒ NOT REQUIRED — UNLESS CHECKED, DELIVERY SERVICE WILL BE PERFORMED

VESSEL: EPIC K HOLZER | VOYAGE NO: 53-S | FLAG: AMERICAN

PIER: [illegible] Staten Island | PORT OF LOADING: New York

PORT OF DISCHARGE: SAN JUAN

EXPLANATION OF CHARACTER OF THE GOODS NOT OF THE SHIP

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
CONEXPINC. SAN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 203001 SEAL NO. 3094 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER		38,520#

1972 OCT -2 PM 12:30 RECEIVED - PUERTO RICO

IN ACCEPTANCE WITH POLICY AND/OR THE CARRIER'S TARIFF CARRIER'S LIABILITY IS RESTRICTED TO ACTUAL LOSS EXCLUSIVE OF CONSEQUENTIAL DAMAGE UNLESS OTHERWISE AGREED IN WRITING BY CARRIER AT TIME OF ACCEPTANCE OF GOODS. NO CLAIM FOR LOSS OR DAMAGE WILL BE CONSIDERED UNLESS WRITTEN NOTICE IS GIVEN TO CARRIER WITHIN 9 MONTHS AFTER DELIVERY OF GOODS OR, IN CASE OF NON-DELIVERY, WITHIN A REASONABLE TIME AFTER A REASONABLE TIME FOR DELIVERY HAS ELAPSED.

RECEIVED

CARRIER: U.S. Key — LICENSE: 1967 [illegible]

TRAILER: [illegible] — SEAL # SIDE DOOR — SEAL # REAR DOOR: 3094

NO SEAL ON ARRIVAL. TTT SEAL # _____ AFFIXED PER PERSON(S) OF DRIVING TTT'S EQUIPMENT. CARRIER FOR SHIPPER'S STOP, STOP AND COUNT.

TEMP. ON ARRIVAL _____ TEMP. SETTING ON DELIVERY _____

TEMP. TO BE MAINTAINED AT (+ 10) in _____ SCALE WEIGHT 40,540

RECEIVED THE GOODS OR MERCHANDISE FOR SHIPMENT AS AS INDICATED BY THE SHIPPER HEREON SUBJECT TO ALL THE TERMS OF THE REGULAR FORM OF PIER RECEIPT, DOCK RECEIPT AND/OR BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER, ITS AGENTS OR THE MASTER.

SOME TRAILERS ARE LOADED BY SHIPPER AND THIS SOME TRAILERS ARE RECEIVED SUBJECT TO SHIPPER'S LOAD STOP AND COUNT.

TRANSAMERICAN TRAILER TRANSPORT, INC.

BY: [illegible] P 13 A 8

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

HOUSEHOLD TRUCK TRANSPORT INC.
L. C. L. SHIPPING

DATE: 10 - 25 CAR [illegible] WEIGHT 1765

CONTAINER # [illegible] SEAL [illegible]

SHIP [illegible] VOYAGE [illegible] CUBE [illegible]

NO.	DESCRIPTION	NO. OF PKGS.	MARKS	DESCRIPTION	CUBE	WEIGHT	RATE CLASS OR CHARGE	CONSIGNEE

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Excerpts from Respondents' Exhibit "R-13".

CONSOLIDATED EXPRESS INC.
C.P.O. BOX 2653
SAN JUAN, P. R. 00936

(1) TRAILER LOAD FREIGHT ALL KINDS

T-VAN NO. 20258

SEAL NO. 2958

DOES NOT CONTAIN ANY CHEMICALS
OR INFLAMMABLE LIQUIDS.
NO LOCAL CARGO SHALL BE LOADED

R-13

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Excerpts from Respondents' Exhibit "R-13".

TRANSCONTINENTAL TRAILER TRANSPORT INC.

U. S. A. SERVICE

D/R #	NO. OF PCS.	CARGO	COMMODITY	CUBE	WGT.	PAY CARR'S OR ORDER	CONSIGNEE

Excerpts from Respondents' Exhibit "R-13".

EXH 55-11-

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R-13, p.141

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Excerpts from Respondents' Exhibit "R-13".

[illegible], STATEN ISLAND, NEW YORK 10301 8338
TELEPHONE: (212) 447-2600 CABLE: TRIPLETTEE

DELIVERING CARRIER TO STEAMER	DOCK RECEIPT #	TTT BOOKING NO.
☐ TTT Pick-up ☐ Own Delivery ☒ Other U.S.T.	101	

FORWARDING AGENT – REFERENCES
CONSOLIDATED EXPRESS INC. NO. 602-NY

DOCK RECEIPT

SHIPPER
CONSOLIDATED EXPRESS INC., 55-80 - 47TH ST., MASPETH, N. Y. 11378

CONSIGNED TO
CONSOLIDATED EXPRESS INC., G.P.O. BOX 2080, SAN JUAN, P. R.

ADDRESS ARRIVAL NOTICE TO
CONSOLIDATED EXPRESS INC.
G.P.O. BOX 2080
SAN JUAN, P. R. 00936

STORE DELIVERY NAME STREET ADDRESS CITY ☒ NOT REQUIRED — UNLESS CHECKED, DELIVERY SERVICE WILL BE PERFORMED

ENTER "SAME" IF DELIVERY IS TO BE MADE TO CONSIGNEE ADDRESS

VESSEL	VOYAGE NO.	FLAG	PIER	PORT OF LOADING
ERIC P HOLZER	55-11	AMERICAN	13 Stapleton, Staten Island	New York

PORT OF DISCHARGE: SAN JUAN

FINAL PORT DESTINATION (OF THE GOODS NOT OF THE SHIP)

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
CONEXPINC. SAN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 204259 SEAL NO. 3138 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER		40,538#

IN ACCORDANCE WITH RULE 41B OF THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO NO MORE THAN $100 PER PACKAGE, PIECE, OR CUSTOMARY FREIGHT UNIT WHEN NOT SHIPPED AS PACKAGE OR PIECE UNLESS A GREATER VALUE IS SET FORTH HEREIN AS $ _____ AND UNLESS SHIPPER PAYS A CHARGE OF 2% OF DECLARED VALUE IN EXCESS OF $100 WHICH CHARGE IS $ _____

FOR PIER USE ONLY

CARRIER U.S. Tpk. LICENSE # X65773

TRAILER # SFTU 204 W 9 SEAL # SIDE DOOR _____ SEAL # REAR DOOR 3138

NO SEAL ON ARRIVAL TTT SEAL # _____ AFFIXED IN PRESENCE OF DRIVER. TTT NOT RESPONSIBLE FOR SHIPPERS LOAD STOW AND COUNT.

TEMP. ON ARRIVAL _____ TEMP. SETTING ON ARRIVAL _____

TEMP. TO BE MAINTAINED AT _____ SCALE WEIGHT _____

CHECKER [illegible] DATE 11-14

RECEIVED THE GOODS OR MERCHANDISE FOR SHIPMENT ALL AS INDICATED BY THE SHIPPER HEREON SUBJECT TO ALL THE TERMS OF THE REGULAR FORM OF PIER PERMIT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER, ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER OR HIS AGENT TRAILERS ARE RECEIVED SUBJECT TO SHIPPERS LOAD STOW AND COUNT.

TRANSAMERICAN TRAILER TRANSPORT, INC.

BY [signature] RECEIVING CLERK

DATE 11-14-72

R-13, p. 14

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Excerpts from Respondents' Exhibit "R-13".

P. C. L. STORAGE

DATE: 11-14-72 OLD SEAL 3138 NEW SEAL 394154

CONTAINER # 204259 VOYAGE # CUBE

SHIP

ITEM	PKGS.	ITEM	DESCRIPTION	CODE	WGT.	OR CHECK	CONSIGNEE
			No Count Required.				
			Please Note Any				
			Changes, Damages & New				
			Seal Number on this Form.				
			Cargo has been Unloaded				
			&Loaded into Same Unit.				
			Checker Signature Mary				

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TELEPHONE (212) 437 2600 CABLE TRIPLETTE

ELIVERING CARRIER TO STEAMER

☐ TTT Pick-up ☐ Own Delivery ☒ Other U. S. T.

DOCK RECEIPT # 8285 101

TTT BOOKING NO

ORWARDING AGENT – REFERENCES

CONSOLIDATED EXPRESS INC. NO. 601-NY

DOCK RECEIPT

IPPER

CONSOLIDATED EXPRESS INC., 55-20 - 47TH ST., MASPETH, N. Y. 11378

NSIGNED TO

CONSOLIDATED EXPRESS INC., G.P.O. BOX 2080, SAN JUAN, P. R.

DDRESS ARRIVAL NOTICE TO

CONSOLIDATED EXPRESS INC.,
G.P.O. BOX 2080
SAN JUAN, P. R. 00936

STORE DOOR DELIVERY NAME STREET ADDRESS CITY ☒ NOT REQUIRED. UNLESS CHECKED, DELIVERY SERVICE WILL BE PERFORMED

ENTER "SAME" IF DELIVERY IS TO BE MADE TO CONSIGNEE ADDRESS

SSEL ERIC K HOLZER VOYAGE NO. 55-11 FLAG AMERICAN

PIER 13 Stapleton, Staten Island PORT OF LOADING New York

RT OF DISCHARGE SAN JUAN FINAL PORT DESTINATION (IF THE GOODS NOT OF THE SHIP)

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
:ONEXPINC AN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 703535 SEAL NO. 3137 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER		39,623#

CORDANCE WITH RULE 410 OF THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO NO MORE THAN $500 PER PACKAGE, PIECE, OR CUSTOMARY FREIGHT UNIT WHEN NOT SHIPPED AS PACK OR PIECE UNLESS A GREATER VALUE IS SET FORTH HEREIN AS $ _____ AND UNLESS SHIPPER PAYS A CHARGE OF 2% OF DECLARED VALUE IN EXCESS OF $500 WHICH CHARGE IS $ _____

FOR PIER USE ONLY

RRIER United States Tck. REAR LICENSE # 22 35 FC 113

ILER # 703535 SEAL # SIDE DOOR _____ SEAL # REAR DOOR 3137

SEAL ON ARRIVAL TTT SEAL # _____ AFFIXED IN PRESENCE DRIVER. TTT NOT RESPONSIBLE FOR SHIPPERS LOAD STOW AND COUNT.

TEMP. SETTING

IP. ON ARRIVAL _____ ON ARRIVAL _____

IP. TO BE NTAINED AT _____ SCALE WEIGHT _____

CKED BY Edward Schmaeck ... 1173-72

RECEIVED THE GOODS OR MERCHANDISE FOR SHIPMENT ALL AS INDICATED BY THE SHIPPER HEREON SUBJECT TO ALL THE TERMS OF THE REGULAR FORM OF PIER PERMIT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER, ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER OR HIS AGENT TRAILERS ARE RECEIVED SUBJECT TO SHIPPERS LOAD STOW AND COUNT.

TRANSAMERICAN TRAILER TRANSPORT, INC.

BY _____ RECEIVING CLERK

... 11-12-72

R-13, P.144

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Excerpts from Respondents' Exhibit "R-13".

L. C. L. STORAGE

TE: 11-14-XX

NTAINER # 203535 OLD SEAL 3137 NEW SEAL 39448

IP VOYAGE # CUDE

PCS.	DESC.	WT.	CUBE	MKS.	ON SHIPPER	CONSIGNEE
	No Count Required.					
	Please Note ANY					
	Changes, Damages & New					
	Seal Number on this Form.					
	Cargo has been Unloaded					
	&Loaded into Same Unit.					
	Checker Signature					

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

TRANSAMERICAN TRAILER TRANSPORT, INC.

30 FIRST MARKS PLACE, STATEN ISLAND, NEW YORK 10301
TELEPHONE (212) 447-2000 CABLE: TRAILEX

DELIVERING CARRIER TO STEAMER

☐ TTT Pick up ☐ Own Delivery X Other U. S. T.

RECEIPT No. 5547 101 | TTT BOOKING NO.

FORWARDING AGENT – REFERENCES
CONSOLIDATED EXPRESS INC. NO. 603-NY

DOCK RECEIPT

SHIPPER
CONSOLIDATED EXPRESS INC., 55-50 - 47TH ST., MASPETH, N. Y. 11378

CONSIGNED TO
CONSOLIDATED EXPRESS INC., G.P.O. BOX 2080, SAN JUAN, P. R.

ADDRESS ARRIVAL NOTICE TO
CONSOLIDATED EXPRESS INC.
G.P.O. BOX 2080
SAN JUAN, P. R. 00936

STORE DELIVERY MADE STREET ADDRESS CITY X NOT REQUIRED UNLESS CHECKED, DELIVERY SERVICE WILL BE PERFORMED

ENTER SAME IF DELIVERY IS TO BE MADE TO CONSIGNEE AT PIER

VESSEL: ERIC K HELZER | VOYAGE NO.: 55-11 | FLAG: AMERICAN

PIER: 13 Stapleton, Staten Island | PORT OF LOADING: New York

FINAL PORT DESTINATION OF THE GOODS OUT OF THE SHIP:

PORT OF DISCHARGE: SAN JUAN

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
CONEXPINC. SAN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 790503 SEAL NO. 3139 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER		38,295#

TTT 1972 NOV 14 AM 11:

IN ACCORDANCE WITH RULE 410 OF THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO NO MORE THAN $500 PER PACKAGE, PIECE OR CUSTOMARY FREIGHT UNIT WHEN NOT STATED AT PACKAGE OR PIECE UNLESS A GREATER VALUE IS SET FORTH HEREIN AS $ _____ AND UNLESS SHIPPER PAYS A CHARGE OF 2% OF DECLARED VALUE IN EXCESS OF $500 WHEN CHARGES ARE

FOR PIER USE ONLY

CARRIER U. S. TTT. R. T. T. I. LICENSE # XCA-99X

TRAILER # 790 503 SEAL # SIDE DOOR 3137 SEAL # REAR DOOR

NO SEAL ON ARRIVAL TTT SEAL # _____ AFFIXED IN PRESENCE OF DRIVER. TTT NOT RESPONSIBLE FOR SHIPPERS LOAD STOW AND COUNT.

TEMP. ON ARRIVAL _____ TEMP. SETTING ON ARRIVAL _____

TEMP. TO BE MAINTAINED AT _____ SCALE WEIGHT _____ 11/14/72

RECEIVED THE GOODS OR MERCHANDISE FOR SHIPMENT AS INDICATED BY THE SHIPPER HEREON SUBJECT TO ALL THE TERMS OF THE RESPECTIVE FORM OF PIER PERMIT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER, ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER OR HIS AGENT TRAILERS ARE RECEIVED SUBJECT TO SHIPPERS LOAD STOW AND COUNT.

TRANSAMERICAN TRAILER TRANSPORT, INC.

BY _____ CLERK

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Excerpts from Respondents' Exhibit "R-13".

L. L. STORAGE

DATE 11-19-71

CONTAINER # 29e 503 OLD SEAL 3139 NEW SEAL 3945F

SHIP VOYAGE # CUBE

PKGS.	MARKS	DESCRIPTION	CODE	WGT.	OR SHIPPER	CONSIGNEE
	No Count Required.					
	Please Note Dmg					
	Changes, Damages & New					
	Seal Number on this Form.					
	Cargo has been Unloaded					
	& Loaded into Same Unit.					
	Checker Signature					

Excerpts from Respondents' Exhibit "R-13".

EKH .57-1

R-13, p 22

NLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-13".

(R-13)

... AMERICAN TRAILER TRANSPORT, INC.

DELIVERING CARRIER TO CONSIGNEE
☐ TTT Pickup ☐ Ocean Delivery ☒ Other U. S. T. 5768 101

FORWARDING AGENT — REFERENCES
CONSOLIDATED EXPRESS INC. NO. 70[illegible]

BILL OF LADING

SHIPPER
CONSOLIDATED EXPRESS INC., 45-20 - 9TH ST., WASETH, N. Y. 11378

CONSIGNED TO
CONSOLIDATED EXPRESS INC., G.P.O. BOX 2080, SAN JUAN, P. R.

ADDRESS ARRIVAL NOTICE TO
CONSOLIDATED EXPRESS INC.
G.P.O. BOX 2080
SAN JUAN, P. R. 00936

SPECIAL DELIVERY — NAME, STREET ADDRESS OR CITY — X Not required — DELIVERY CHECKED ONLY — CHARGE WILL BE ASSESSED

ENTER HERE IF DELIVERY IS TO BE MADE TO CONSIGNEE AFLOAT

VESSEL — VOYAGE NO. — FLAG
ERIC K HOLZER 57-1 AMERICAN

PIER — PORT OF LOADING
Edgewater, Staten Island — New York

PORT OF DISCHARGE
SAN JUAN

FINAL PORT DESTINATION (FOR THE CARRIER NOT OF THE SHIP)

PARTICULARS FURNISHED BY SHIPPER

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF PACKAGES AND GOODS	MEASUREMENT	GROSS WEIGHT
CONEXPINC. SAN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 202203 SEAL NO. 3267 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER		38,520#

IN ACCORDANCE WITH RULE 4(c) OF THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO AN AMOUNT EQUAL TO $500 PER PACKAGE, PIECE OR CUSTOMARY UNIT WHICH APPEARS AS A PACKAGE OR PIECE UNLESS A GREATER VALUE IS SET FORTH HEREIN AS $ _____ AND UNLESS SHIPPER PAYS A PREMIUM OF 2% OF DECLARED VALUE IN EXCESS OF $500 PER PACKAGE OR PIECE.

DO NOT WRITE BELOW THIS LINE

CARRIER United States Tel Co. LICENSE # X-7915-M-1

TRAILER # 202203 SEAL # SIDE DOOR

SEAL # REAR DOOR 3267

NO SEAL ON ARRIVAL TTT SEAL # _____ AFFIXED IN PRESENCE OF DRIVER. TTT NOT RESPONSIBLE FOR SHIPPER'S LOAD STOWAGE COUNT.

TEMP. ON ARRIVAL _____ TEMP. SETTING OR ALLOWED _____

TEMP. TO BE MAINTAINED AT _____ SEAL # SHIP _____

RECEIVED _____ DATE 12-2[illegible]

RECEIVED THE GOODS OR MERCHANDISE DESCRIBED IN THIS SHIPMENT ALL AS INDICATED BY THE SHIPPER HEREOF SUBJECT TO ALL THE TERMS OF THE FREIGHT FORM OF PIER PERMIT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER, ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER OR HIS AGENT TRAILERS ARE RECEIVED SUBJECT TO SHIPPER'S LOAD STOW AND COUNT.

TRAI-AMERICAN TRAILER TRANSPORT, INC

BY _____ AUTHORIZED AGENT

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Excerpts from Respondents' Exhibit "R-13".

TRANSAMERICAN TRAILER TRANSPORT INC.

L. C. L. STOWAGE

DATE: 11-22-63 3367 WEIGHT 11006

CONTAINER # SEAL

SHIP VOYAGE # CUBE

L. T.	DIR #	NO. OF PKGS.	MARKS	COMMODITY	CUBE	WTS.	RAIL CAR # OR SHIPPER	CONSIGNEE
			No Count Required.					
			Please Date & Sign					
			Changes, Damages & Key					
			Seal Number on this Form.					
			Cargo has been Unloaded					
			& Loaded into Same Unit.					
			Checker Signature					

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***Excerpts** from Respondents' Exhibit "R-13".*

CONSOLIDATED EXPRESS INC., [illegible] - 42ND ST., WOODSIDE, N. Y. 11377

CONSOLIDATED EXPRESS P.R., G.P.O. BOX 2050, SAN JUAN, P. R.

CONSOLIDATED EXPRESS INC.
G.P.O. BOX 2050
SAN JUAN, P. R. 00936

ERIC K HOLZER 57-1 AMERICAN

SAN JUAN

MARKS AND NUMBERS	NO. OF PKGS.	DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS	WEIGHT (Subject to Correction)	RATE
CONEXPINC. SAN JUAN, P.R.	(1)	TRAILERLOAD FREIGHT ALL KINDS T-VAN NO. 29805 SEAL NO. 3269 DOES NOT CONTAIN ANY CHEMICALS OR INFLAMMABLE LIQUIDS - NO LABEL CARGO WHATSOEVER	42,273	

IN ACCORDANCE WITH [illegible] THE CARRIER'S TARIFF, CARRIER'S LIABILITY SHALL BE LIMITED TO NOT MORE THAN [illegible] PER CAGE UNLESS A HIGHER VALUE IS DECLARED AND AN AD VALOREM CHARGE PAID THEREON AS [illegible]

FOR TERMINAL USE ONLY

CARRIER U-S-416 LICENSE # XBZ-277

TRAILER # T20-005 SEAL # SIDE DOOR [illegible] SEAL # REAR DOOR 3269

NO SEAL ON ARRIVAL TTT SEAL # [illegible] AFFIXED BY DRIVER OF DRIVER. TTT IS NOT RESPONSIBLE FOR SHIPPERS LOAD STOW AND COUNT.

TEMP. ON ARRIVAL [illegible] TEMP. SETTING OR ARRIVAL [illegible]

TEMP. TO BE MAINTAINED AT [illegible] SEALS ORDER [illegible]

CHECKED [illegible] DATE 12/[illegible]

RECEIVED THE GOODS OR MERCHANDISE [illegible] SUBJECT TO ALL THE TERMS OF THE [illegible] FOR CONSIGNMENT, DOCK RECEIPT AND BILL OF LADING OF THE CARRIER, COPIES OF WHICH MAY BE OBTAINED ON APPLICATION TO THE CARRIER, ITS AGENTS OR THE MASTER.

WHEN TRAILERS ARE LOADED BY SHIPPER AND/OR AGENT, TTT IS NOT RESPONSIBLE FOR SHIPPERS LOAD STOW AND COUNT.

[illegible] FOR TRAILER TRANSPORTATION

BY [illegible]

TITLE [illegible]

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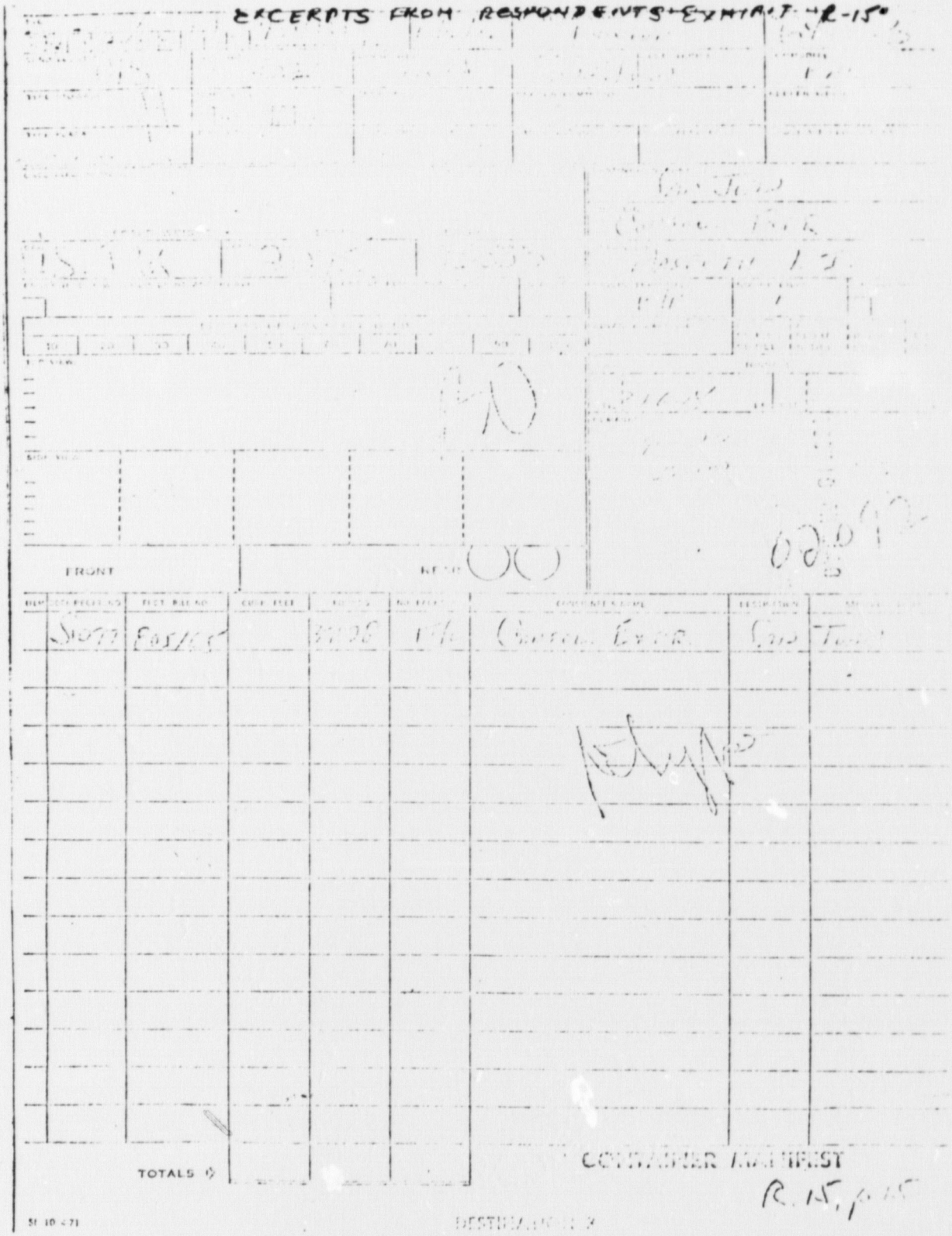
Excerpts from Respondents' Exhibit "R-13".

We Can't Report	
Please File Any	
Changes, Damages & New	
Seal Number on this Form.	
Cargo has been Unloaded	
Loaded into Same Unit	
Checker Signature	

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-15."



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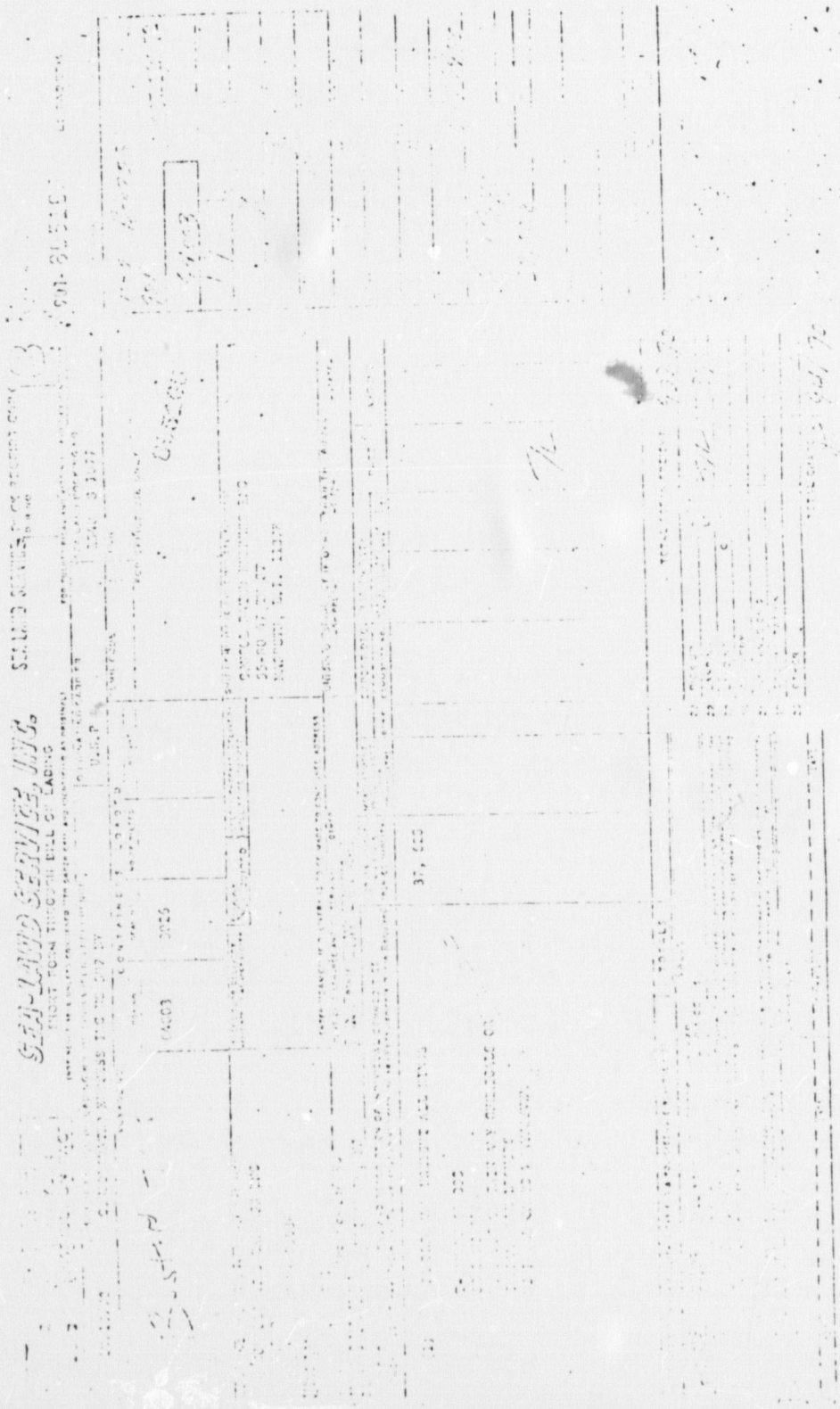
Excerpts from Respondents' Exhibit "R-15".



ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-15".

TRAILER INTERCHANGE RECEIPT & INSPECTION REPORT NO. 19216

72 OCT 17 PM 9:44
AM

TIME & DATE DISPATCHED

SEA-LAND SERVICE, INC.
CARIBBEAN OPERATING DIVISION
G.P.O. BOX 2649
SAN JUAN, PUERTO RICO 00936

72 OCT 18 AM 7:17
TIME & DATE RECEIVED

CUSTOMER CODE	BOSTON 75	64 003	901 805 165	FREE TIME STARTS	EXTENSION CODE
	CUSTOMER NO.	TRAILER NUMBER	B/L NUMBER		

DRY	X REEFER	TANK	L.C.L.	SOL	OTHER	CARRIER OUT	STATUS OUT	X LD. MTY.	CARRIER IN	STATUS IN	LD. MTY.
CHECK ONE						Conex					

CHASSIS NO.	TRACTOR/CHASSIS LICENSE NO.	TRACTOR LICENSE NO.	IN POOL DATE	OUT POOL DATE	CHECK (✓) BOX IF CUSTOMER CARTAGE
9097	270XV	320			X

CUSTOMER NAME OUT: CONSOLIDATED EXPRESS CAROLINA

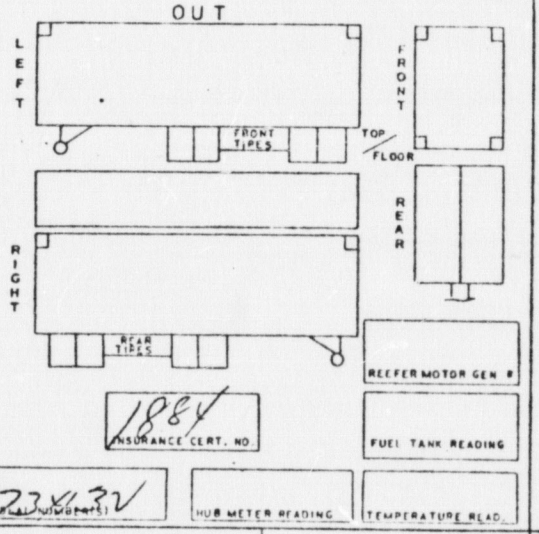
CUSTOMER NAME IN:

EXTENSION CODE EXPLANATION: (CIRCLE APPLICABLE CODE) 1-DAMAGED EQUIPMENT, 2-CARGO REMANDED (LEAVE ON OR) RELOAD) 3-GROUNDED 4-OUT PORT CARGO 5-DOCUMENTATION 6-U.S. MAIL, GOVT. 7-CONSOLIDATION 8-OTHER

CONTAINER & CHASSIS INSPECTION

PLEASE MARK CLEARLY ALL DAMAGES AND DEFICIENCIES. IF NO EXCEPTION USE CHECK (✓) MARK. USE FOLLOWING SYMBOLS FOR EXCEPTIONS: M-MISSING C-CUT S-SCRATCH D-DENTED B-BROKEN H-HOLE
TIRE LEGEND: "B"-BALD, "F"-FOREIGN, "N"-NEW, "½"-HALF TREAD

OUT



1884 INSURANCE CERT. NO.

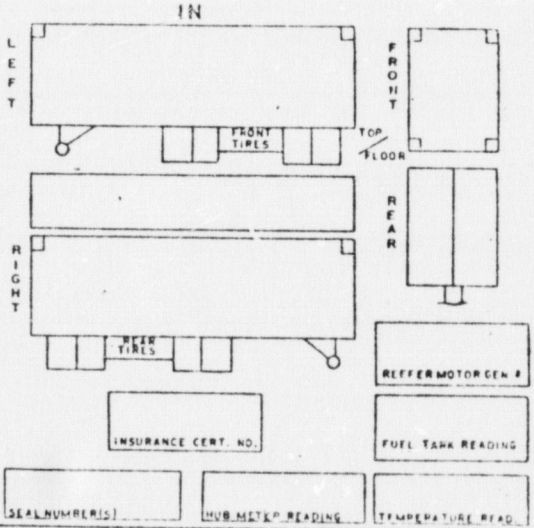
FUEL TANK READING

23X632 SEAL NUMBER(S)

HUB METER READING

TEMPERATURE READ.

IN



INSURANCE CERT. NO.

FUEL TANK READING

SEAL NUMBER(S)

HUB METER READING

TEMPERATURE READ.

OUT		IN	
BRAKES	DOORS	BRAKES	DOORS
WHEEL LUGS	CHASSIS	WHEEL LUGS	CHASSIS
FLAPS	LANDING GEAR	FLAPS	LANDING GEAR
LIGHTS	COUPLERS	LIGHTS	COUPLERS
CLEARANCE ____ STOP ____	TAIL ____ INDICATOR ____	CLEARANCE ____ STOP ____	TAIL ____ INDICATOR ____
REMARKS:		REMARKS	

BY SIGNATURE HEREUNDER LESSEE ACCEPTS CARE, CUSTODY AND CONTROL OF CONTAINER (OR EQUIPMENT) AND CHASSIS AS INDICATED ABOVE, SUBJECT TO ALL TERMS AND CONDITIONS OF THE MASTER TRAILER INTERCHANGE AGREEMENT BETWEEN LESSOR AND LESSEE.

DRIVER SIGNATURE [signature] DRIVER SIGNATURE IN [signature]

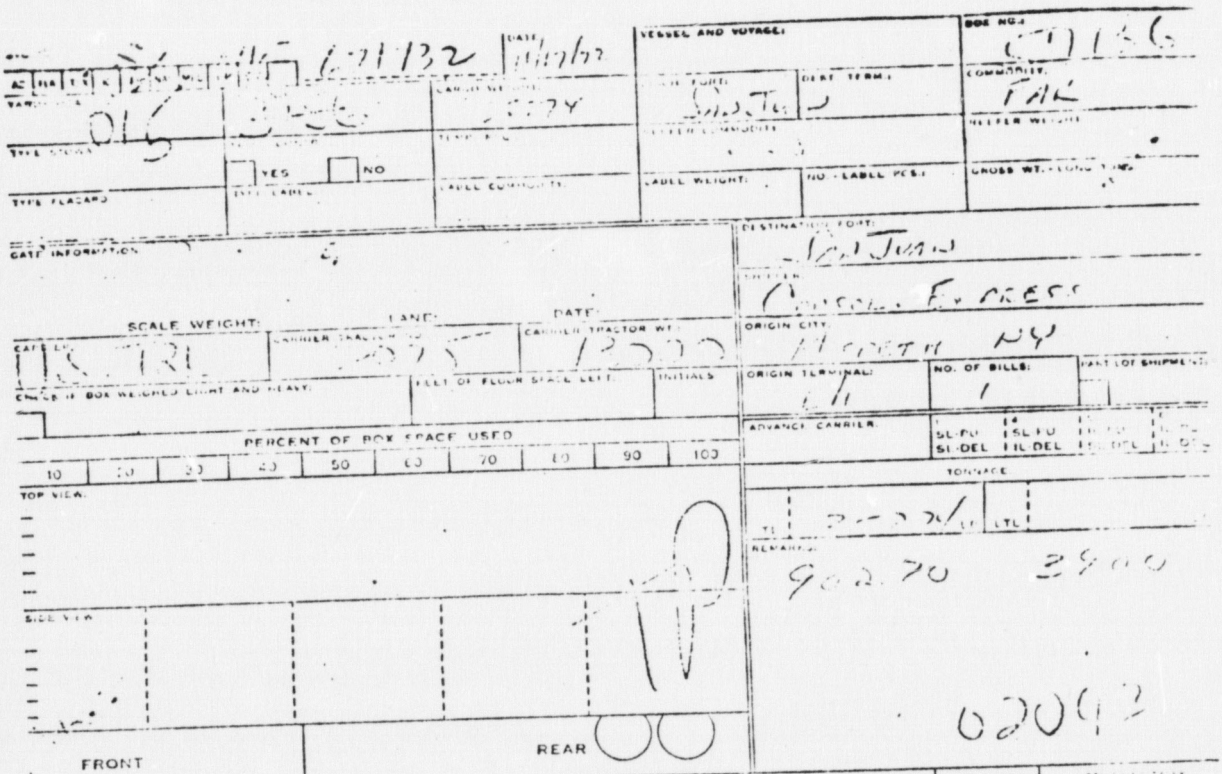
CHECKER OUT [signature] CHECKER IN [signature]

HISTORY FILE - COPY 2

R-15, P 16-2.

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-15".



ITEM/BOX RECEIPT NO.	BILL OF LADING	CUBIC FEET	POUNDS	NO. PACKAGES	CONSIGNEE'S NAME	DESTINATION	ST.
SWT	818763		55274	1/1	Consol. Express	Inw	Jer

ONLY COPY AVAILABLE

***Excerpts** from Respondents' Exhibit "R-15".*

ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-15".

TRAILER INTERCHANGE RECEIPT & INSPECTION REPORT 1972 NOV 20 NO. 28438

1972 NOV 24 PM 2:01

TIME & DATE DISPATCHED

SEA-LAND SERVICE, INC.

CARIBBEAN OPERATING DIVISION

G.P.O. BOX 2648

SAN JUAN, PUERTO RICO 00936

TIME & DATE RECEIVED

CUSTOMER CODE	VESSEL VOY. NO.	TRAILER NUMBER	B/L NUMBER	FREE TIME STARTS	EXTENSION CODE LIST NUMBER
	TAMPA 81	57 136	901 818 763		

DRY	REEFER	TANK	L/B	SOL	OTHER	CARRIER OUT	STATUS OUT	LD	MTY	CARRIER IN	STATUS IN	LD	MTY
X						Conex		X		Sameer			

CHECK ONE

CHASSIS NO.	TRAILER CHASSIS LICENSE NO.	TRACTOR LICENSE NO.	IN POOL DATE	OUT POOL DATE	CHECK (X) BOX IF CUSTOMER CARTAGE
SC3071	17180	4346			[X]

CUSTOMER NAME OUT	CUSTOMER NAME IN
CONSOLIDATED EXPRESS CAROLINA	Same

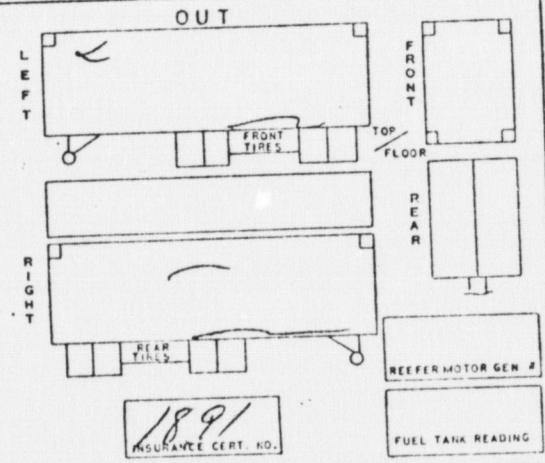
EXTENSION CODE EXPLANATION: (CIRCLE APPLICABLE CODE) 1-DAMAGED EQUIPMENT, 2-CARGO REHANDLED (LEAVE ON (OR) RELOAD) 3-GROUNDED 4-OUT PORT CARGO 5-DOCUMENTATION 6-B/L MAIL, GOVT. 7-CONSOLIDATION 8-OTHER

CONTAINER & CHASSIS INSPECTION

PLEASE MARK CLEARLY ALL DAMAGES AND DEFICIENCIES. IF NO EXCEPTION USE CHECK (✓) MARK. USE FOLLOWING SYMBOLS FOR EXCEPTIONS: M-MISSING C-CUT S-SCRATCH D-DENTED B-BROKEN H-HOLE

TIRE LEGEND: "B"-BALD "E"-EXCEPTION "N"-NEW "½"-HALF TREAD

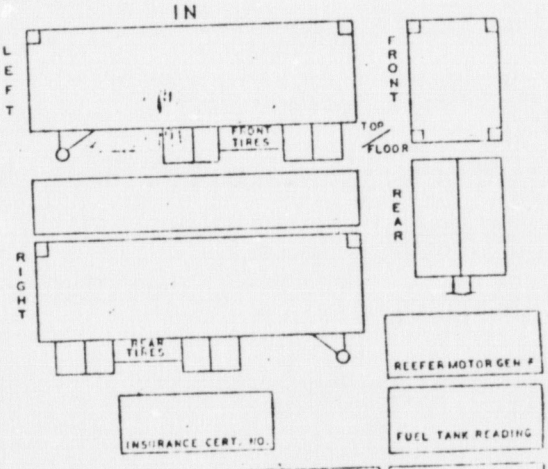
OUT



INSURANCE CERT. NO.	FUEL TANK READING
1891	

SEAL NUMBER(S)	HUB METER READING	TEMPERATURE READ.
621737		

IN



INSURANCE CERT. NO.	FUEL TANK READING

SEAL NUMBER(S)	HUB METER READING	TEMPERATURE READ.
560546		

USS

BRAKES	DOORS	CHASSIS	LANDING GEAR	COUPLERS	TAIL LIGHTS	INDICATOR	CLEARANCE	STOP

REMARKS

BRAKES	DOORS	CHASSIS	LANDING GEAR	COUPLERS	TAIL LIGHTS	INDICATOR	CLEARANCE	STOP

REMARKS
64

BY SIGNATURE HEREUNDER LESSEE ACCEPTS CARE, CUSTODY AND CONTROL OF CONTAINER (OR EQUIPMENT) AND CHASSIS AS INDICATED ABOVE, SUBJECT TO ALL TERMS AND CONDITIONS OF PRESENT TRAILER INTERCHANGE LEASE AGREEMENT BETWEEN SEA-LAND AND LESSEE.

DRIVER SIGNATURE [illegible] DRIVER SIGNATURE [illegible]

CHECKER OUT [illegible] CHECKER IN [illegible]

HISTORY FILE - COPY 2

R. 314a

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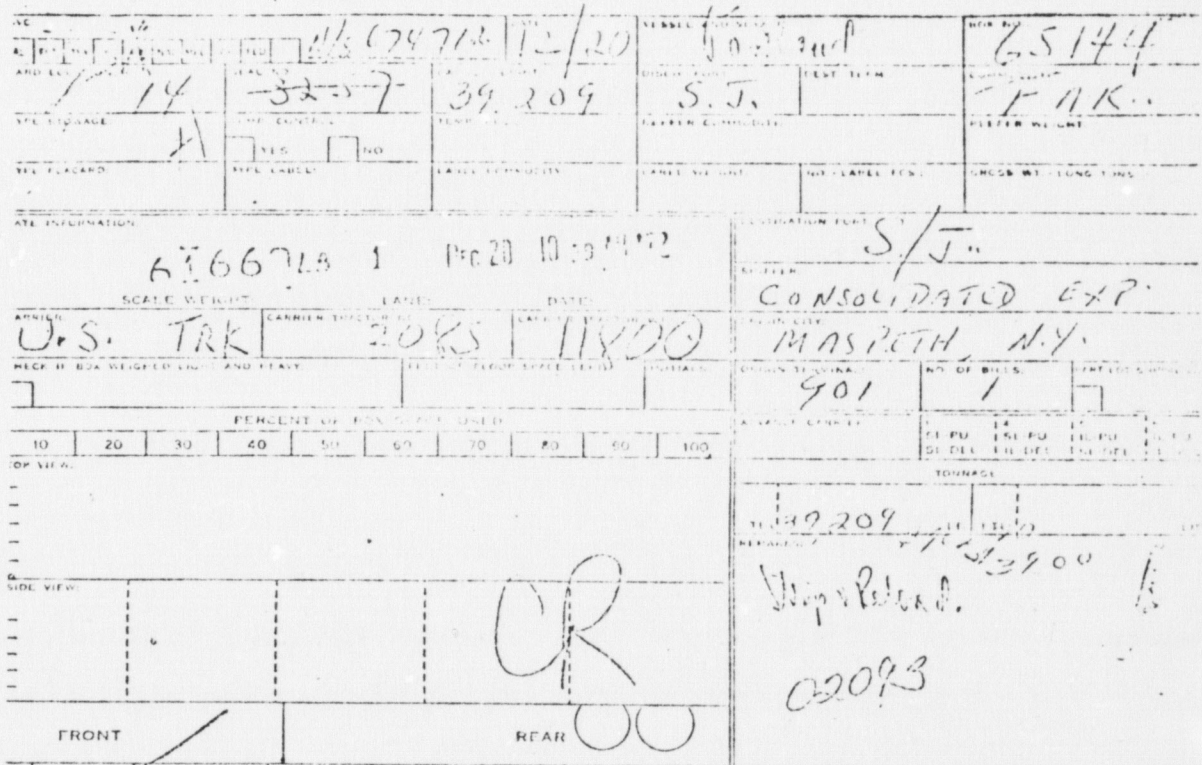
Excerpts from Respondents' Exhibit "R-15".



ITEM	RECEIPT	TEST REC NO	CUBIC FEET	POUNDS	NO PACKAGES	CONSIGNEE'S NAME	DESTINATION	STORAGE DAYS
	S1013	830051		39,209	1T/L.	CONSOLIDATED EXP	S/J.	
TOTALS								

CONTAINER MANIFEST

DESTINATION 3

R-15, p. 205

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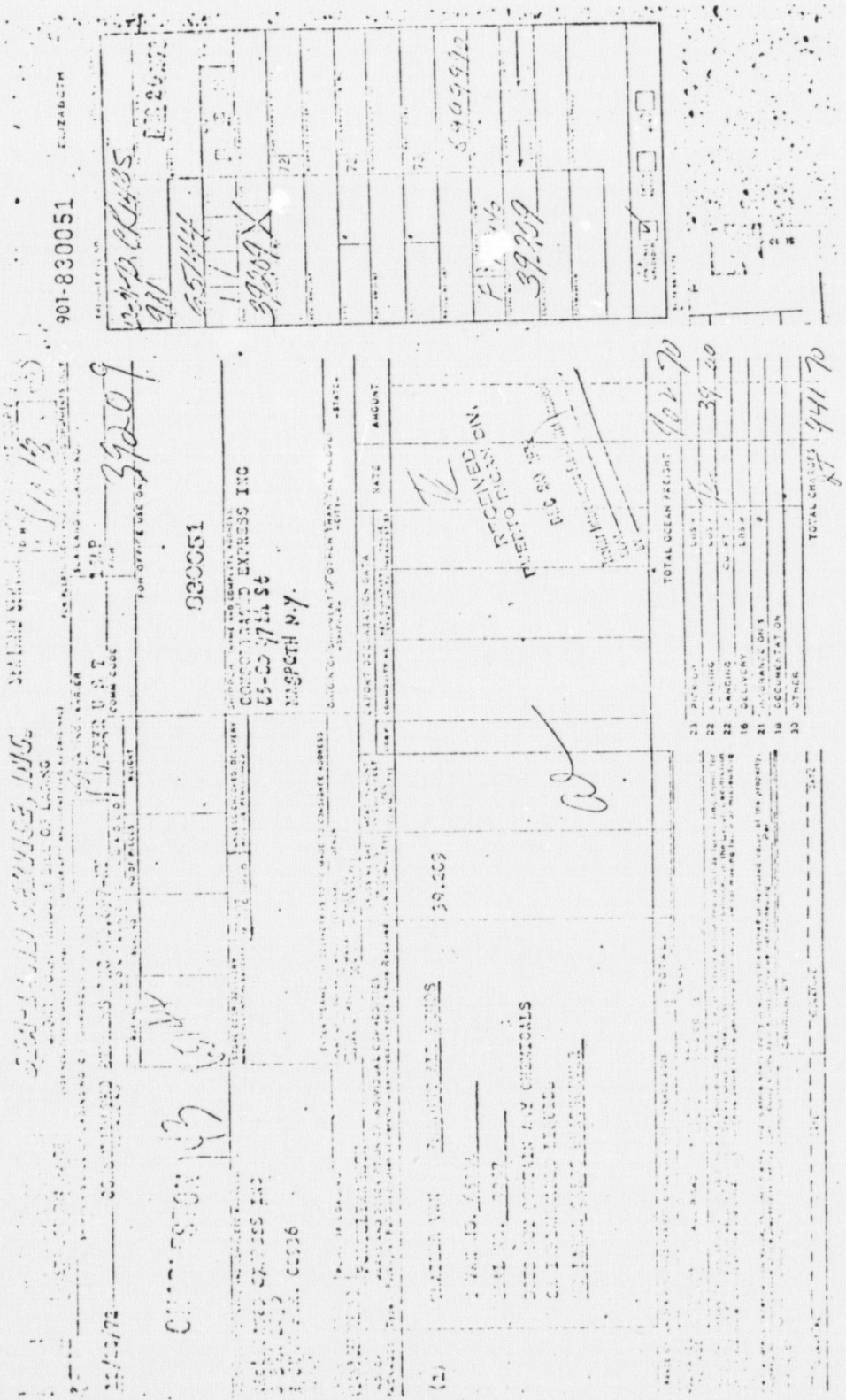
Excerpts from Respondents' Exhibit "R-15".



ONLY COPY AVAILABLE

Excerpts from Respondents' Exhibit "R-15".

TRAILER INTERCHANGE RECEIPT & INSPECTION REPORT NO. M 07763

1972 DEC 27 11:13

SEA-LAND SERVICE, INC.

CARRIER OPERATING DIVISION

73 JAN-2 AM 8:24

TIME & DATE DISPATCHED

TIME & DATE RECEIVED

CUSTOMER CODE | VESSEL VOY. NO. | B/L NUMBER | FREE TIME STARTS

CHECK ONE: DRY | REEFER | TANK | L.B. | SOL | OTHER

CARRIER OUT | STATUS OUT | CARRIER IN | STATUS IN

CHASSIS NO. | TRAILER/CHASSIS LICENSE NO. | TRACTOR LICENSE NO. | IN POOL DATE | OUT POOL DATE

CHECK IF CUSTOMER CARTAGE

CUSTOMER NAME OUT

CUSTOMER NAME IN

EXTENSION CODE EXPLANATION: 1-OFFICE SPECIFIED 2-SHORT 3-GROUNDED 4-OUT FOR CARGO 5-SPECIAL EQUIPMENT 6-LATE OUT 7-CARGO REHANDLED (LEAVE ON FORT RELOAD) 8-OTHER

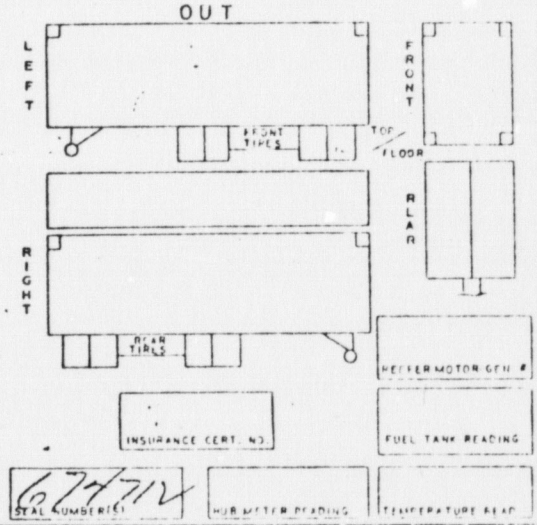
CONTAINER CHASSIS INSPECTION

PLEASE MARK CLEARLY ALL DAMAGES AND DEFECTS NOTED ON INSPECTION BY CIRCLING AND USE FOLLOWING SYMBOLS

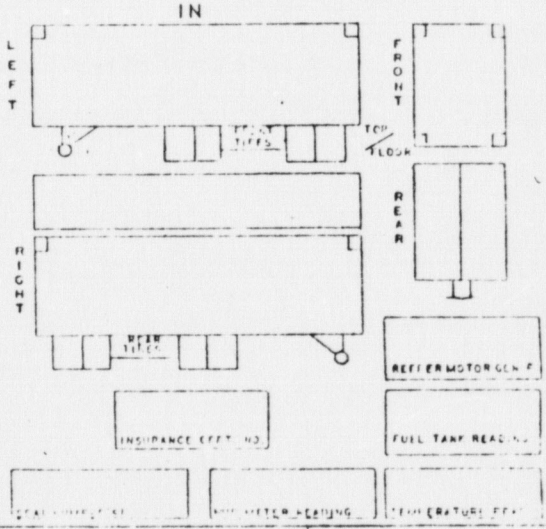
FOR EXCEPTIONS: MISSING | CUT | STRAINED | TWISTED | BROKEN | DENT

TIRE LEGEND: O-FLAT | X-DEFECTIVE | /-WORN | \-SHOWS TREAD

OUT



IN



INSURANCE CERT. NO. | FUEL TANK READING

SEAL NUMBER(S) | HUB METER READING | TEMPERATURE READ

INSURANCE CERT. NO. | FUEL TANK READING

SEAL NUMBER(S) | HUB METER READING | TEMPERATURE READ

OUT		IN	
BRAKES	DOORS	BRAKES	DOORS
WHEEL LUGS	CHASSIS	WHEEL LUGS	CHASSIS
MISC FLAPS	LANDING GEAR	FLAPS	LANDING GEAR
LIGHTS	COUPLERS	LIGHTS	COUPLERS
CLEARANCE ___ STOP ___	TAIL ___ INDICATOR	CLEARANCE ___ STOP ___	TAIL ___ INDICATOR
REMARKS:		REMARKS	

BY SIGNATURE HEREUNDER, I ACCEPT EQUIPMENT AS NOTED ABOVE AND ASSUME RESPONSIBILITY FOR SAFE TRANSPORTATION AND RETURN OF EQUIPMENT IN GOOD CONDITION EXCEPT AS NOTED. I AGREE TO PAY ALL CHARGES AND DEMURRAGE ACCRUING ON EQUIPMENT WHILE IN MY POSSESSION AND/OR UNDER MY CONTROL.

DRIVER SIGNATURE | DATE

CHECKED BY

C/C 2799

ESTUARY COPY 2

R-15 Addendum

Respondents' Exhibit "R-16".

Comparison of Changed Seal Numbers on TTT Tally Sheets With Seal Numbers on TTT TIR's Delivered to Consolidated Express on Pick Up of Cargo in Puerto Rico—Oct.-Dec. 1972

Sailing Voyage	*Date of Receipt of Container in New York*	*Container Number*	*Consolidated's Seal Number on Dock Receipt in New York*	*New TTT Seal Number on Tally Sheet in New York*	*Seal Number on TIR in Puerto Rico*
EKH 54-5	10 2 72	274303	3003	47683	47683
	10 2 72	790044	3002	47669	47669
	10 3 72	790464	3005	47688	47688
	10 2 72	203001	3004	47680	
	9 28 72	203258	2988	47698	47698
PDL 54-7	10 6 72	790384	3016	47828	
	10 4 72	790368	3009	47806	47806
	10 6 72	790198	3015	47832	47832
	10 5 72	790188	3012	47817	47617
	10 4 72	275446	3010	47810	47810
	10 3 72	275052	3008	47693	47693
	10 6 72	790445	3014	47826	47826
	10 3 72	790536	3006	47699	47699
EKH 54-9	10 10 72	204807	3023	47848	47848
	10 10 72	790373	3025	47855	47855
	10 10 72	790561	3024	47853	47853
PDL 54-11	10 13 72	790099	3032	47878	
	10 12 72	790321	3034	47880	47880
	10 13 72	790333	3040	39102	39101
	10 11 72	790337	3028	47867	47867
	10 11 72	790183	3027	47868	47868
	10 13 72	790211	3039	47890	47890
	10 13 72	790159	3038	47891	47891
EKH 54-13	10 16 72	790569	3046	39114	39114
	10 17 72	790158	3048	39122	39122
	10 17 72	274303	3047	39116	39116

Respondents' Exhibit "R-16".

Sailing Voyage	*Date of Receipt of Container in New York*	*Container Number*	*Consolidated's Seal Number on Dock Receipt in New York*	*New TTT Seal Number on Tally Sheet in New York*	*Seal Number on TIR in Puerto Rico*
PDL 54-15	10 20 72	790205	3059	39162	39162 39036
	10 19 72	703701	3054	39134	39134
	10 18 72	703535	3052	39130	39130
	10 20 72	275052	3062	39165	39165
	10 20 72	706253	3060	39163	39163
	10 19 72	790062	3055	39141	39141
	10 18 72	790258	3051	39128	39128
	10 18 72	790368	3050	39127	39127
EKH 54-17	10 24 72	790047	3065	39173	39173
	10 20 72	790384	3061	39168	39163
PDL 55-1	10 27 72	201516	3080	39317	39317
	10 27 72	790044	3083	29320	39320
	10 25 72	790156	3071	39190	
	10 27 72	790211	3082	39321	39321
	10 26 72	790321	3072	39196	39196
	10 27 72	790352	3076	39316	39310
	10 27 72	790373	3081	39318	39313
	10 26 72	790517	3073	39301	
	10 25 72	790536	3070	39189	39189
	10 25 72	200905	3068	39184	39184
EKH 55-3	10 31 72	790561	3102	39342	
	10 30 72	790503	3087	39334	
	10 31 72	204259	3101	39341	
PDL 55-5	11 1 72	275052	3108	39358	
	11 1 72	203064	3106	39354	
	11 2 72	790035	3111	39364	
	11 3 72	790052	3114	39380	
	11 2 72	790297	3112	39368	
	11 1 72	790459	3109	39355	
	11 3 72	790498	3113	39377	
EKH 55-7	11 6 72	790183	3122	39396	
	11 8 72	790164	3124	39411	

Respondents' Exhibit "R-16".

Sailing Voyage	*Date of Receipt of Container in New York*	*Container Number*	*Consolidated's Seal Number on Dock Receipt in New York*	*New TTT Seal Number on Tally Sheet in New York*	*Seal Number on TIR in Puerto Rico*
PDL 55-9	11 9 72	202731	3128	39421	
	11 8 72	274303	3125	39412	
	11 8 72	790403	3126	39415	
	11 10 72	201516	3133	39436	
	11 10 72	790047	3130	39431	
	11 10 72	790067	3131	39428	
	11 10 72	790384	3132	39437	
EKH 55-11	11 14 72	204259	3138	39454	
	11 13 72	703535	3137	39448	
	11 14 72	790503	3139	39458	
PDL 55-13	11 15 72	790459	3141	39468	
	11 15 72	790498	3140	39467	
	11 15 72	205795	3144	39473	
	11 15 72	271842	3145	39472	
	11 16 72	700626	3150	39482	
	11 16 72	790373	3149	39476	39476
	11 17 72	790017	3153	39488	
	11 17 72	790091	3154	39496	
	11 16 72	790356	3152	39485	
	11 17 72	790484	3155	39499	
EKH 55-15	11 20 72	790183	3157	39502	39502
	11 21 72	790377	3159	39506	
	11 22 72	203044	3165	39516	
	11 22 72	790517	3166	39522	
PDL 55-17	11 24 72	790447	3170	39526	
	11 24 72	790379	3171	39529	39529
EKH 56-1	11 28 72	790062	3174	39547	39547
	11 29 72	202203	3179	39559	
	11 28 72	790563	3175	39551	39551
PDL 56-3	12 1 72	790484	3184	39568	
	12 1 72	790498	3185	39569	
	11 30 72	790067	3182	39563	39563
	12 1 72	790213	3186	39579	39579

Respondents' Exhibit "R-16".

Sailing Voyage	*Date of Receipt of Container in New York*	*Container Number*	*Consolidated's Seal Number on Dock Receipt in New York*	*New TTT Seal Number on Tally Sheet in New York*	*Seal Number on TIR in Puerto Rico*
EKH 56-5	12 4 72	790421	3215	39588	38580
	12 5 72	790667	3218	39592	39592
PDL 56-7	12 7 72	790006	3229	39815	39815
	12 8 72	790091	3231	39836	3231
	12 6 72	790259	3221	39809	
	12 7 72	790427	3227	39814	39814
EKH 56-9	12 12 72	790183	3237	39850	39850
PDL 56-11	12 14 72	790503	3242	39871	
	12 15 72	790379	3246	39883	39883
	12 14 72	790373	3244	39877	39877
EKH 56-13	12 18 72	790483	3253	39891	39891
PDL 56-15	12 21 72	790067	3261	40009	
	12 22 72	790371	3263	40016	40016
	12 22 72	790458	3264	40019	40019
EKH 57-1	12 26 72	202203	3267	40026	40026
	12 27 72	790005	3269	40028	

Respondents' Exhibit "R-17".

GENERAL CARGO AGREEMENT

NEGOTIATED BY THE

NEW YORK
SHIPPING ASSOCIATION, INC.

with the

INTERNATIONAL LONGSHOREMEN'S
ASSOCIATION (IND)

for the

Port of Greater New York
and Vicinity

October 1, 1956 - September 30, 1959

• • •

Respondents' Exhibit "R-17".

PART I—Preamble

THIS AGREEMENT, made and entered into by and between the members (hereinafter sometimes referred to as the "Employers" or the "Employer-Members") of the New York Shipping Association, Inc. (hereinafter sometimes referred to as the "Association"), Deepwater Steamship Lines and Contracting Stevedores of the Port of Greater New York and vicinity, as party of the first part, and the International Longshoremen's Association, Independent, and its affiliated Locals (hereinafter sometimes referred to as the "ILA" or the "Union"), as party of the second part, covers the work pertaining to the rigging of ships, the coaling of same, the loading and unloading of all cargoes, including mail, ships' stores and baggage, and the handling of lines in connection with the docking and undocking of ships in the Port of Greater New York and vicinity.

Wages, hours, the amount of contributions for welfare and pension benefits (but not the benefits to be provided by the welfare and pension plans) and the term of this agreement are set forth in a separate contract (hereinafter referred to as the Master Contract) to which the parties hereto are parties covering all ports on the Atlantic Coast of the United States from Portland, Maine to Hampton Roads, Virginia, inclusive, in which the International Longshoremen's Association, Independent, is recognized as the collective bargaining representatives of employees.

The employer-members of the Association agree that they will not directly perform work done on a pier or terminal or contract out such work which historically and regularly has been and currently is performed by employees covered by this agreement or employees covered

by ILA craft agreements unless such work on such pier or terminal is performed by employees covered by ILA agreements.

All work on the piers relating to the loading of trucks, when truck loading service is provided by the employer, shall be performed by employees covered by this agreement. The Association will do everything it can lawfully do to secure appropriate amendments to the existing tariffs so as to provide that the loading of trucks shall be done exclusively by the terminal operators participating in the tariff filed with the Federal Maritime Board. The parties commit themselves to refer the matter to their respective attorneys to work out a solution as promptly as possible.

* * *

PART VIII—Discrimination, Interpretations, Customs and Practices, etc.

* * *

3. Customs and Practices in effect on December 28, 1954 shall remain in effect.

* * *

PART X—Size of Gangs and Working Rules

1. (a) Minimum number of men in gang when loading or discharging general cargo shall be 20 men, not less than 8 holdmen and the balance of the gang to be distributed between the hold, deck and dock at the discretion of the employer. This distribution of men shall in no way affect the provisions of sub-division (b) of this Clause.

* * *

Respondents' Exhibit "R-17".

PART XI—Grievance Machinery

1. (a) Any grievance, dispute, complaint or claim arising out of or relating to this agreement, including all matters herein which expressly provide that they shall be dealt with in accordance with this Part, and including any dispute relating to the institution of new types of operation or changes in existing operations, or the application of Part VIII, Clause 3 of this agreement, shall be handled and disposed of in the manner hereinafter provided, and all of the parties hereto agree to abide by any decisions made in accordance therewith.

(b) THE FIRST STEP. When a grievance or dispute occurs, either the Management Representative (Stevedore, Pier Superintendent or appropriate designate of the Employer) or Union Shop Steward shall immediately call the problem to the attention of the other party. Meanwhile work shall continue. Each party shall use good judgment and make every effort to arrive at a settlement consistent with the contract. Should there fail to be agreement at this level, it shall be the obligation of both parties to immediately call for an ILA Delegate, the ILA grievance adjuster, and the NYSA grievance adjuster to come at once to the point where the dispute takes place. For the purpose of settling disputes promptly each party to this agreement shall name a paid, full-time grievance adjuster.

Should there be agreement between those involved in the First Step, the agreement reached shall be reported to the Labor Relations Committee (referred to in the Third Step) for its information. In the event the grievance or dispute relates to the interpretation or application of any provision of the contract, the agreement reached shall be subject to review and revision by the LRC to assure its conformance with the provisions of the contract in-

volved; such review shall not include a reconsideration of the facts as established in connection with the agreement reached. In the event the LRC determines that the agreement reached relates to the interpretation or application of a provision of the contract, they may either affirm or revise the agreement reached or either party may submit the matter to arbitration.

(c) THE SECOND STEP. Should the ILA Delegate and the two grievance adjusters agree, the same procedure will be followed as in the First Step with the following exceptions: (1) All agreements reached at this step as to rates of pay on dirty cargo shall be binding and not subject to review but shall be reported to the LRC, and (2) Where an agreement cannot be reached, and where, in the opinion of the Delegate and the two grievance adjusters, the disagreement is of such a nature as to seriously impair good relations, either side may ask for immediate arbitration obtaining only the concurrence of the Chairman of their side of the LRC. Should arbitration not be required, but the matter be one which may be resolved by further discussions but cannot be agreed upon by the Delegate and the two grievance adjusters, such matter will be referred to the LRC.

(d) THE THIRD STEP. There shall be established a Joint Labor Relations Committee consisting of not more than five representatives of the Employers and not more than five representatives of the Union. The LRC shall meet weekly on a stated day and at a stated time and shall be in general charge of the Grievance Machinery and the day to day relations between the ILA and the NYSA. This Committee shall not only discuss and dispose of, on the basis of merit, all disputes referred to them, but shall have the power and authority, in the event of final disagreement and upon motion of either side, to refer any and all

matters under disagreement to arbitration and arbitration shall be obligatory upon both the ILA and its Locals and the members of the NYSA.

The LRC shall have the authority to generally review the relations between the parties and to make suggestions and recommendations for bettering such relations. The Committee shall also have the authority to recommend changes for next contract opening which are in the interest of clarity, better operations and production. The Committee shall also use its best efforts to prevent, wherever possible, disputes arising and shall exert every effort toward fair, equitable and reasonable relations.

(e) The Fourth Step. The Arbitrator shall be selected by the parties. Should the parties fail to agree upon an Arbitrator within fifteen days after the consummation of this agreement or such further time as shall mutually be agreed to, either side may request the Federal Mediation and Conciliation Service to submit a Panel of seven (7) names. Each side shall have the right to excuse three (3) of the names submitted and if one name remains, he shall be the Arbitrator. If more than one name remains, then the Director of the Federal Mediation and Conciliation Service shall select the Arbitrator from the remaining names. The Arbitrator shall function in that capacity for a minimum of one year. At the end of one year from the date of his selection, either side shall have the right to ask that the person so named be excused; and in that event a new Arbitrator shall be selected through the process above referred to. The Arbitrator selected at the end of such one-year period, whether he be the same person as was originally chosen or a new Arbitrator, shall serve out the remainder of the contract.

Respondents' Exhibit "R-17".

(f) Powers of the Arbitrator

(i) The Arbitrator shall be called upon only as heretofore outlined.

(ii) He shall adjudicate all matters before him on the basis of fact and customs and practices in effect, but shall at no time consider bona fide, a custom or practice which is instituted through job action, quicky or other unilateral action after the execution of the agreement, or which is in conflict with the contract.

(iii) He shall be empowered to render any decision he may deem appropriate on any matter before him which decision shall be final and binding on both parties.

(g) Payment of Expenses and of Financial Requirements. The parties shall bear equally the expenses of the arbitration procedure and of all other agreed upon expenses incurred in connection with the administration of the Plan.

* * *

Respondents' Exhibit "R-18".

NEW YORK SHIPPING ASSOCIATION, INC.
80 Broad Street
New York 4, N. Y.

November 21, 1960

Report No. 1839

CONTAINERIZATION ARBITRATION AWARD
(Ref. Report No. 1759)

The attached self-explanatory Award with reference to the Containerization Arbitration was received today from Dr. Emanuel Stein of N.Y.U., impartial chairman of the three-man Arbitration Board appointed in conformity with our Memorandum of Settlement, Report No. 1697. Also serving on this Board were Admiral Frank M. McCarthy, designated by the Labor Policy Committee to represent the N.Y.S.A., and Thomas (Teddy) Gleason, designated by the I.L.A.

The attached two (2) pages contain the highlights of the Award, which is a forty (40) page document, and will also be forwarded to all our members as soon as stencils are completed and run-off.

A. P. CHOPIN
Chairman

Enclosure

Respondents' Exhibit "R-18".

AWARD

In the Matter of the Arbitration between

NEW YORK SHIPPING ASSOCIATION

—and—

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

The Undersigned, constituting the Board of Arbitration created pursuant to Paragraph 13 of the Memorandum of Settlement entered into by the parties above-named on December 3, 1959, for the purpose of arbitrating disagreements between them as to Paragraph 8(b) of said Memorandum of Settlement, have heard the allegations and received the witnesses and proofs, and make the following Award:

1. The following is the action of a majority of the Board, Mr. Gleason dissenting: on containers which are loaded or unloaded away from the pier by non-ILA labor, the amounts set forth below shall be paid into a fund as provided by Paragraph 10 of said Memorandum of Settlement:

a. On conventional ships, thirty-five (35) cents per gross ton.

b. On partially-automated ships (conventional ships converted for handling vans and containers) where not more than two hatches have been converted for the handling of containers, seventy (70) cents per gross ton.

c. On partially-automated ships (conventional ships converted for handling vans and containers),

where not more than forty (40) per cent of the ship's bale cube has been fitted for containers, seventy (70) cents per gross ton.

d. On ships where more than two hatches have been converted or fitted for the handling of containers, or where more than forty (40) per cent of the ship's bale cube has been fitted for containers, one dollar ($1) per gross ton.

2. The following is the action of a majority of the Board, Mr. McCarthy dissenting: The payments set forth in Paragraph 1 above shall be retroactiive to July 1, 1960.

3. The following is the unanimous action of the Board. The payments set forth in Paragraph 1 shall continue for the duration of the current collective bargaining agreement between the parties. However, on or after October 1, 1961, the parties shall have the right to seek adjustments on the rates of payment upon the ground, in the case of the International Longshoremen's Association, that there has occurred a substantial increase in the impact of containers upon employment opportunities, or, in the case of the New York Shipping Association, upon the ground that there has been no or a substantially decreased impact of containers upon employment opportunities. In the event that the parties shall fail to agree upon a revision, if any, in the rates of payments, the matter shall be treated like a grievance arising under their collective bargaining agreement.

November 16, 1960

/s/ EMANUEL STEIN
Emanuel Stein, Chairman

/s/ F. M. MCCARTHY
F. M. McCarthy

/s/ THOMAS W. GLEASON
Thomas W. Gleason

Respondents' Exhibit "R-18".

NEW YORK SHIPPING ASSOCIATION, INC.
80 Broad Street, New York 4, N. Y.

November 23, 1960

Report No. 1840

CONTAINERIZATION ARBITRATION AWARD
(Ref. Report No. 1839)

Pursuant to our report of November 21, 1960, the attached 40-page Opinion by Dr. Emanuel Stein of New York University, Impartial Chairman of the Containerization Arbitration Board, is sent to you for your information.

BECAUSE OF ITS WIDESPREAD RAMIFICATIONS AND AFFECT ON WATERFRONT OPERATIONS, ALL MEMBERS ARE URGED TO STUDY IT CAREFULLY.

A. P. Chopin
Chairman

Enclosure:

Respondents' Exhibit "R-18".

OPINION

In the Matter of the Arbitration between

NEW YORK SHIPPING ASSOCIATION

—and—

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO

This proceeding arises out of a disagreement between the NEW YORK SHIPPING (hereinafter called "the Association" or "NYSA" and the INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO (hereinafter called "the Union" or "ILA") as to a major term or condition of employment. The dispute does not involve the arbitration of a grievance which has come up under an existing collective bargaining agreement and which calls for interpretation or application of one of the provisions of that agreement. Rather, it involves what has been called an arbitration of *interests,* in which, the parties having been unable to come to an agreement as to one or more of the provisions of a collective bargaining agreement, it is the function of the arbitrators, not to interpret or apply, but to write a portion of the agreement. The task is more nearly legislative than judicial. The answers are not to be found within the "four corners" of a pre-existing document which the parties have agreed shall govern their relationship. Lacking guidance of such a document which confines and limits the authority of arbitrators to a determination of what the parties had agreed to when they drew up their basic agreement, our task here is to search for what would be, in the light of all the relevant factors

and circumstances, a fair and equitable answer to a problem which the parties have not been able to resolve by themselves. Unfortunately, many of the most relevant factors and circumstances lie in the future, as we shall see below. Not only are they not now known, but the existence of many imponderables and variables makes it hazardous to venture an "informed judgment" or an "educated guess". Only as the developing situation supplies data which are not presently available, data which run to the very heart of the problem before us, will it be possible to provide a more confident answer to the question which the parties have put to us. We have approached our task with this in mind and, as will be evident below, it has been reflected in our award.

Central to the issue before us is what has been called "automation" or "containerization" on the waterfront, involving the loading or unloading of cargo in vans or containers. There are two facets of this containerization: (1) the placing of the cargo into, or its removal from (stripping), the van or containers; (2) placing the container into, or removing it from, the ship. Containers may be loaded or stripped on the pier by ILA-labor. They may also be loaded or stripped away from the pier by non-ILA-labor. The latter, commonly, called "shipper-loaded containers," are the subject of the present controversy, since ILA has made no claim as to containers which are loaded or stripped on the piers by ILA-labor.

While some cargo has for many years been handled in shipper loaded-containers, within the past two years ILA has raised vigorous objections thereto because of their alleged direct impact upon employment and earnings of ILA members, and their alleged indirect impact upon the welfare and pension funds. In November, 1958, the ILA refused to handle a consignment of containers delivered to the United States Lines, the containers having been loaded

away from the pier by non-ILA labor. Subsequently, ILA announced its refusal to handle shipper-loaded containers for any companies which had not been engaged in container operations prior to October 1, 1956. The dispute was thereupon submitted to the Port Arbitrator (NYSA Brief pp. 2-3). On December 17, 1958, the Port Arbitrator issued an announcement (NYSA Exhibit 22) which said in part:

> "Having been assured by the N.Y.S.A. that there would be no reduction in gang sizes or loss of checkers' and clerks' jobs due to the container operations by companies presently handling containers during the life of this contract, the I.L.A. has agreed to rescind its original refusal to handle containers for any companies not engaged in the container operations prior to October 1, 1956. By agreement, the I.L.A. will now handle containers for all companies engaged in the operations as of November 12, 1958 when the container matter was first brought before the Port of New York Joint Labor Relations Committee.
>
> "It is understood that expansion of the container program will be the subject of further discussions between the N.Y.S.A. and the I.L.A. for a period of at least 60 days with a view to arriving at broad principles on automation in preparations for future collective bargaining. These meetings will commence on January 5, 1959.
>
> "It is also understood by both parties that companies not now handling containers, but who contemplate using containers in the future will give notice to the I.L.A. of the proposed new operations."

During 1959, and prior to the commencement of negotions over the terms of a new collective bargaining agreement, there were apparently numerous joint discussions on the container issue. In these discussions, the ILA ex-

pressed its fears that containerization would have serious adverse effects on job opportunities and upon contributions to the pension and welfare funds. The NYSA asserted its agreement in principle that some protection be offered regular employees who might be adversely affected by containerization, but conditioned such protection upon acquiescence by the ILA in the proposition that the employers would have "unfettered control over both the labor supply needed and the conditions and manner in which those containers would be utilized." (NYSA Brief, p. 4.) The discussions did not result in agreement, and containers became a significant issue in the negotiations over the new agreement.

No perceptible progress was made on containerization during the two months preceding the expiration of the old collective bargaining agreement. ILA proposed a requirement that all containers be loaded and stripped on the piers by ILA-labor and also insisted on retention of the existing standards on gang sizes. NYSA restated its view that protection be offered regular employees adversely affected by containerization and that employers secure concessions in respect to gang sizes, working rules, etc. On the eve of expiration of the old agreement, NYSA offered a royalty of 25 cents per weight ton on shipper-loaded containers, conditioned upon assuring to employers discretion in determining gang sizes on containerized operations. This, the ILA rejected.

When the old agreement expired, the ILA went out on strike which lasted for eight days until the issuance of an injunction under the emergency disputes provisions of the Taft-Hartley Act. Negotiations between the parties continued. There is some indication that NYSA renewed its 25-cent offer, while abandoning its earlier insistence upon reductions in gang sizes. There is also some indication that ILA made a counter-offer of 75 cents per weight ton,

but it is not clear whether this was a formal offer. Late in November, the parties agreed upon certain revisions in the collective bargaining agreement, including wages and contributions to pension and welfare funds. They also agreed to separate out the question of containerization. Finally, on December 3, 1959, the parties adopted a Memorandum of Settlement. Section 7 of the Memorandum of Settlement provided that, in respect to containerships full or partial, "The gangs shall be as provided under the old contract." Section 8 provided:

> "*Containers: Dravo size or larger*
>
> "(a) Any employer shall have the right to use any and all type of containers without restriction or stripping by the union.
>
> "(b) The parties shall negotiate for two weeks after the ratification of this agreement, and if no agreement is reached, shall submit to arbitration in the manner described in paragraph 13 below, the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor, such submission to be within 30 days thereafter.
>
> "(c) Any work performed in connection with the loading and discharging of containers for employer members of the NYSA which is performed in the Port of Greater New York whether on piers or terminals controlled by them, or whether through direct contracting out, shall be performed by ILA labor at longshore rates."

The negotiations contemplated by Section 8(b) did not produce agreement, and the issue was thus finally submitted to a Board of Arbitration consisting of F. M. McCarthy, NYSA designee, Thomas W. Gleason, ILA designee, and Emanuel Stein, impartial chairman. Ex-

tended hearings, which ended on August 3, 1960, were supplemented by visits made by the Board of Arbitration, at the request of the parties, to a number of piers for the purpose of observing the operation of loading and unloading containers, as well as the work incident thereto. Extensive testimony, both factual and opinion in nature, was offered by the parties as to the nature of containerization, the probably near-term trends in the utilization of containers, employment and earnings in the Port of New York, trends in labor turnover, the tonnage handled in the Port, costs of handling the tonnage so far as labor is concerned, productivity of longshoremen on conventional, partially-automated, and fully-automated ships, and the actual and prospective impact of containerization upon employment opportunities of ILA members.

I.

In coming to grips with the issue before us, we must recognize at the very outset that, while the parties have apparently vested in us quite broad powers, they have also provided a frame of reference for our guidance. Section 8(b) of the Memorandum of Settlement says merely that, if the parties cannot themselves come to terms, arbitration shall be had on "the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor . . . ." The language clearly implies that *some* payment is to be provided for, the question before us presumably being *what* that payment is to be. Moreover, from the fact that the parties introduced into the record testimony as to offers and counter-offers, we may conclude realistically that the parties did not differ as to the *fact* of payment, however, sharply they may have differed as to the amount.

Our authority to fix the amount of the payment does not extend to a determination of the uses to which the

money is to be put. This is a matter which the parties have reserved to themselves. Since we are totally in the dark as to the disposition of the funds—indeed, at this point, the parties themselves can scarcely have any realistic views as to the matter—we have no means of knowing whether and to what extent the payments will meet the problem as it may unfold. There is no intention to question either the wisdom or propriety of this reservation. We might, however, have been able to proceed more confidently in the fixing of the payments if we had known the end-uses of the funds.

From the testimony and the arguments, it is abundantly clear that the parties intended to link the payments on containers inextricably to employment opportunities, whether these be narrowly defined to mean only the loss of jobs or broadly to encompass diminution of earnings from reduction in hours worked as well as total loss of employment. Without formal circumscription of our authority as arbitrators, the parties have made it plain that, in determining what payments are to be made, we are to be guided by the test of the impact, prospective as well as actual, of containerization upon employment opportunities. That is, the size of the payment is to reflect the degree of impact upon employment opportunities. Substantially all of the testimony and evidence was directed to this matter, with ILA arguing that the effect of containerization upon employment opportunities was bound to be very great, while NYSA took the position that the effect was either nonexistent or, at most, negligible.

The parties have proceeded, at least tacitly, upon the proposition that the burden of payment should be restricted to those companies using containers of the types contemplated by Section 8(b) of the Memorandum of Settlement. This flows logically, though perhaps not inevitably, from the rationale for the payments. If con-

tainerization has adverse effects upon employment opportunities, and if the payments are designed to compensate in some measure for such adverse effects, it seems reasonable that the employers who use the containers and thus generate adverse employment effects, should pay the costs involved in offsetting the effects. Contrariwise, it seems reasonable to exempt from the payments those employers who, since they are not in container operation, do not contribute to the claimed adverse effects.

In the view which we take of this case, the payment is not to be equated with an increase in wages; presumably, the principal beneficiaries will be those employees who have lost their jobs or whose earnings have been reduced as a consequence of automation. Nor is it to be regarded as a division of the savings accruing from containerization, notwithstanding anticipated large savings flowing from the use of containers. By the same token, it is not to be regarded as based upon "ability to pay" or upon an "improvement factor" such as is to be found in certain other industries. Finally, it is not intended to reflect literally improvements in productivity. As the parties have submitted their case to us, these and similar matters have significance only for the light they may throw upon the relationship between containerization and employment opportunities. While we may have occasion to refer subsequently to productivity increases and economies in operation attendant upon containerization, it is to be understood, whether it is expressly stated or not, that such references are for the purpose of clarifying employment effects and not for the purpose of justifying payments upon the basis of increased productivity or other operating economies.

II.

Towards the close of the hearings, the ILA formulated its demands in specific terms; it asked for a royalty of

$1.50 per ton for containers under 17 feet, a royalty of $2 per ton for containers between 17 and 34 feet, and a royalty of $3 per ton for containers of 35 feet or more. In support of its demands, both then and earlier, ILA claimed that containerization was steadily assuming larger and larger proportions, that more, newer, and more efficient, devices were being introduced or were on the horizon, that employers were placing orders for large numbers of containers, and that ships were being converted to container operations while others were being designed specifically for the handling of containers. Much testimony was offered by ILA as to the productivity of containerized operations, particularly as to the effect upon manhours of employment of such operations. It is the position of the ILA that containers will result in substantial reduction in the number of persons employed in the industry. Further, the ILA asserts that the number of hours worked by persons remaining in the industry will be significantly reduced. These are the asserted direct effects. As to the indirect effects, claimed to be of great significance, a reduction in employment and in hours worked will be reflected in reduced contributions to pension and welfare funds, thus depriving employees of prospective benefits.

Opposing the ILA demands and insisting that no royalities should be paid on shipper-loaded containers, NYSA has stated its position as follows:

> "1. The 'shipper loaded' container program in the Port of New York is minimal rather than substantial. It has been greatly exaggerated, creating needless fears where none, in fact, should exist.
>
> "2. There has been no loss of jobs or even decline in hours in the Port of New York for regular employees.
>
> "3. The minimum attrition rate of 1,000 regular employees a year, or over 4% of the entire work force,

Respondents' Exhibit "R-18".

more than offsets any loss of jobs, or even diminution in hours, occasioned by the gradually increased use of such containers.

"4. NYSA has already cushioned any adverse effects of such containerization by granting substantial increases in the pension and welfare funds, by agreeing to a gang size for full containerships substantially larger than was needed, and by requiring employer members who load or discharge containers whether off piers or through contracting out to use ILA labor at longshore rates.

"5. The above facts, fully demonstrated in these hearings, mean that any royalty payment would merely serve to create a fund for a purpose which does not exist. It would also serve, directly or indirectly, to maintain the number of hours previously worked on pain of a penalty when technological advances have made that number of hours anachronistic and at a time when the forces of attrition can reduce the regular work force naturally without injury to any specific individuals. There is no justification, either economic, social or legal, for such an unsound doctrine.

"6. Any royalty payment would constitute an unwarranted burden and penalty upon the use of such containers, denying its advantages to the shipper and consuming public and endangering the long-range interests of both the industry and the members of the ILA itself." (NYSA Brief, pp. 11-12.)

On the fact (sic) of it, it is clear beyond doubt that containerization causes an immediate and direct reduction in the manhours of work required to be performed. Indeed, such reduction is the principal, though perhaps not the only, advantage derived by the employer from con-

tainerization. Theoretically, it could be conceived that the volume of employment and working hours could be maintained despite automation if the increase in the volume of shipments were sufficiently large; even under such circumstances, however, the labor input per ton of cargo would be considerably reduced. And, if more than a small fraction of the total volume of shipments were handled by container operations, it is scarcely likely that the total volume could be sufficiently increased to maintain the level of employment and working hours.

Our observation of container operations at the piers was convincing as to the labor savings implicit in containerization. The position of NYSA, in the course of pre-arbitration negotiations, gave manifest indications of NYSA's belief that large reductions in labor requirements were inherent in containerization—note its demand that employers be given reductions in gang sizes. Even the formal statement of NYSA's position, quoted above, recognizes the at least potential impact upon employment opportunities. Thus, we are told that attrition more than offsets the loss of work "occasioned by the gradually increased use of such containers"; that NYSA has already "cushioned an adverse effects of such containerization . . ."; that a royalty payment would, by discouraging containerization, maintain the former number of hours at a time when "technological advances have made that number of hours anachronistic" and when attrition permits the reduction in size of the regular working force without injuring any specific individuals.

In his opening statement, counsel for ILA described, from the standpoint of the Union, the various points at which containerization impinged upon employment opportunities:

> "Let us take the simple case of a manufacturer. A manufacturer ships packages abroad. He will have

these containers, either at his plant or at a point within his control, and he will load a very large container—the sizes vary, but it is large, with hundreds and thousands of packages.

"The container will be brought to the pier. At that point the longshoremen, instead of being faced with hundreds and thousands of packages, are faced with a single container.

"There is no draft to make up. The container is brought onto the ship. There is no draft then to be torn apart, so to speak, in the hold. There is no stowage. You take the container, put it on the ship, put it in the hold.

"The same thing applies in unloading. The container is in containerized form on the ship. You may have a whole hatch full of containers. Instead of having to make up a draft in the hold— . . . .

"MR. GLEASON: You just described the gang, Mr. Waldman. The most essential thing I think you should make a description of is the extra labor—

"MR. WALDMAN: I have not gotten into checkers, clerks, extra labor, and so on.

"I am merely describing at this moment losses of jobs in the gang.

"The ILA represents all waterfront labor. The job losses are not confined merely to the members of the cargo-handling gang.

"The next group I wanted to take are the checkers and clerks. Checkers and clerks perform the functions the name implies. As the cargo comes on the pier or leaves the pier, they check what cargo is there and enter the appropriate information in their records available then to consignees or their truckers, their employers, the shipping companies, or the stevedores.

"Obviously, when you have a single container instead of hundreds of packages, the checker's job, since

Respondents' Exhibit "R-18".

the container is not to be stripped at any point on the pier, is to say one container, said to contain such-and-such. Obviously, the work of the checkers and clerks is then substantially reduced.

"In addition, the ILA represents sweepers, extra labor men who clean up on the pier; and also one of the functions of the gang or of the employees of the employers involved in this arbitration, is to clean up the holds of the ship, to get the garbage or rubbish in a single place so that it can be carted away. This is obviously in a sense a cleaner operation. You don't have rubbish, you don't have garbage. The extra labor work of that nature is, again, substantially reduced and, to a certain extent, eliminated.

"You don't have lighters on the containerized operation, you don't have the ships, the harbor craft that come to the side of the pier and either bring these packages, this cargo, or take it away.

"I am informed that there are as many as four hundred jobs in jeopardy on the lighters alone, which either have been lost or will be lost by reason of containerized operation.

"In the various areas in which the ILA functions, the jobs are obviously endangered . . . .

"MR. GLEASON: You have not described the extra labor yet, the loading and discharging of the trucks on the piers, when they come.

"MR. WALDMAN: As I say, this is a merely generalized statement, but I can go into that now.

"The ILA employees on the pier—well, they mainly load, but to some extent they unload the trucks that bring cargo, or that come to take cargo away from the piers.

"Again, obviously, when you have a single container instead of diverse packages, the loading or unloading of trucks becomes substantially reduced, so that, again,

taking the over-all operation in every one of its facets, the longshoremen and the related crafts represented by this union are going to lose a substantial amount of working time.

"These employees are not permanent full-time employees. This isn't a man who is hired for $100 a week, and, if there is less work, then the employer has to find more work for him to do.

"These are not permanent full-time salaried employees; they are hourly paid employees, and they are, except to a very limited extent, hourly hired employees.

"The employer hires these employees only when he has a need for them.

"The only guarantee they have is the guarantee of a four-hour shift. In other words, when a man is hired, he cannot be laid off an hour or two later. He has to finish the four-hours shift.

"But if an employer hires a gang or individual extra labor on Monday for Tuesday, that does not assure them that on Wednesday they will be employed.

"If, on a conventional operation, the work is unloading, and then loading a ship would take three days and during those three days there would be employed a longshore gang, checkers, clerks, extra labor, sweepers, the persons who load and unload trucks—if this can be done in one day, the employees lose the second and third days. They are not on the payroll on any kind of permanent basis.

"This, in a very general form, is the reason for the arbitration. This is the kind of impact with which we are faced. This is the reason for what we regard as the very well grounded fears of the union and its members that there will be very severe adverse economic consequences to them by reason of the present use of

containers and the contemplated increased use of containers, and that something must be done to compensate the working force for the loss of working time, and to compensate those that will be forced out of this industry by reason of this new innovation." (R., pp. 18-23.)

Testimony was offered by the ILA as to the specific effects of container operations in a number of cases. Brooklyn accounts for just about half of the work in the Port of New York and the Brooklyn Army Base accounts for from 8 to 10 per cent of the work in Brooklyn (R., pp. 87-88.). Between the spring of 1958 when containerization was not a factor at the Army Base and the spring of 1960, there was a reduction of about 10 per cent in the tonnage loaded at the Base, but by the spring of 1960 between 24 and 36 per cent of the cargo, both inbound and outbound, was handled in containers. Anthony Anastasio, vice-president of the ILA, testified that during the first quarter of 1958 the payrolls at the Army Base averaged between $115,000 and $130,000 per week, but that by the first quarter of 1960, the average weekly payroll had dropped to the vicinity of $88,000. (R., p. 89.) Asked concerning the differences in productivity between the handling of cargo in the conventional way and containerization, the witness stated that by conventional methods the average output was between 13 and 15½ tons per gang per hour. (R. p. 92.) As to containers:

"We got a 5-ton container, that we load an average today maybe 65 to 70 ton an hour. We got a 10-ton container, that we load an average maybe between . . . 80 to 90 ton an hour. We got the 20-ton container, or 22-ton container, whatever it is, the largest size. We load between 5, some hours 4 some

hours 5 an hour, which gives a hundred ton an hour." (R., p. 93.) . . .

"Q. Are you able to say, Mr. Anastasio, what the impact of containerization has been on the jobs of the men, on the basis of your own observation and experience at the Brooklyn Army base?

"A. . . . in the Brooklyn Army base, we used to have 18 gangs, where every gang contained 23 men. . . . we used to have 125 steady extra labor, plus 42 extra, they used to work Wednesday, Thursday and Friday.

"Q. Those are the busy days there?

"A. In the Brooklyn Army base we used to have a least checker 90 steady, and about 40 extra. Since the automation started on full speed, out of the gang 18, we work 12, 13, the most. Out of the 125 and 40, 165, 167 members in the extra labor, the most we work out of the 167 is 120.

"Out of the checker from 130, 132 checkers, work on the Brooklyn Army base, the most we work today is 90. In other words, we lost 50 jobs on the checkers, 45 jobs on the labor, and we lost an average on the gangs . . . 4 to 5 gangs a week through automation." (R., pp. 94-95.)

Vice-President Anastasio also testified as to the situation at Bull Lines. While acknowledging that Bull Lines had suffered a reduction in tonnage which he estimated at from 10 to 13 per cent (R., p. 99), he indicated that the loss in employment exceeded that which could be attributed to the lower level of operations. In 1958, he said, Bull Lines had 18 gangs; at the time of the hearings the number of gangs had been reduced to 10:

"Bull Line used to have 125 extra labor. Today, we got 65. Bull Line used to have 65 steady checkers,

and 30 extras. Today, the total of checkers there is about 65." (R., P. 97.)

Moreover, and at least partially the result of containerization (the witness estimated that Bull Lines handled about 40 per cent of its cargo in containers at the time of the hearings), there had taken place a substantial reduction in the about of night which is, of course, paid at premium rates; "As far as my knowledge, it (night work) is pretty nearly knocked out complete." (R., p. 98.)

On cross-examination, Mr. Anastasio conceded that the 8 gangs which had been displaced at Bull had secured what presumably is at least equivalent employment at Moore-McCormack which had opened a large terminal in Brooklyn:

> ". . . I want the record to show that we got one, two, three, four, five, six, seven new terminals, tremendous, large-size piers through the Port Authority, and the Marine Aviation, they spend in Brooklyn so far over $100 million. In the time that we got all this new terminal, is more steamship company, and more out-of-town business come to Brooklyn. But . . . if we don't have this new terminal, then we lose 40 per cent of the membership by now." (R., p. 107.)

Parenthetically, it may be noted that the employment which Moore-McCormack was able to provide in Brooklyn was accompanied by unemployment in Manhattan. Whereas Moore-McCormack's Pier 32 operations in Manhattan formerly provided 12 gangs with about 15 days employment per month, now 8 gangs work there on an average of six days monthly. The number of regular checkers there has declined from 40 to 17 (R., pp. 129, 130, 138). Stated somewhat differently, the reduction in employment in Brooklyn which might have been expected

to follow from the lower manpower requirements at Bull Line did not appear because of the movement of Moore-McCormack to Brooklyn; actually, the unemployment showed up, according to the Union, in Manhattan.

John J. Flynn, a checkers' shop steward at Bull Line, testified as to the effect of containerization upon the employment of clerks, checkers, and hi-lo drivers. On cargo handled the conventional way, a hi-lo driver, extra labor, and checker average about ten tons of general cargo in three hours, whether loading or unloading trucks (R., p. 115). He cited, as an illustration, the loading of trucks with rum; in conventional loading, the three employees referred to would handle about 500 cases an hour (R., p. 116). When the rum is in a trailer or van, there is substantially complete elimination of the work of the three employees:

> "The Chairman: What would the hi-lo operator do with a trailer with 1,500 or 2,000 cases of rum?
>
> "The Witness: What would the hi-lo driver do now? He does nothing.
>
> "The Chairman: What would the extra labor do?
>
> "The Witness: Nothing.
>
> "The Chairman: What would the checker do?
>
> "The Witness: He would check the number of the trailer to see that it is in good shape, as far as outward appearance goes, and he would deliver that to the truckman.
>
> "The Chairman: Would it be fair to say from your testimony that two of the three men we are talking about (now) have no function to perform in respect to a container?
>
> "The Witness: Correct.
>
> "The Chairman: The only function of the checker is to note the condition of the trailer body, the con-

tainer and its number and other data which may be on the side or wherever it would be?

"The Witness: Correct." (R., pp. 118-119.)

The labor savings implicit in containerization are seen most clearly and dramatically in the case of fully-containerized operations. For example, Sea-Land Service, Inc. (or Pan-Atlantic Steamship Corporation, its former name), previously used eight gangs to handle its coastwise runs, about two ships weekly. Now, with the addition of the Puerto Rican run—another two ships weekly—two gangs work both runs. The coastwise operation, along with conventional loading methods, required thirty to forty extra labor men. The same number now work both runs (R., pp. 146-149):

"Q. How much of this (the total of cargo) would be on the Puerto Rican run?

"A. I would say about 5,500 ton.

"Q. Your two gangs take about how long to take care of that 5,500 ton per week?

'A. The regular handling of the trailers that go on and off would be about 14 hours.

"Q. Is that for each of the ships or for the two combined? . . .

"A. Per ship.

"Q. So if we have two ships involved, it would be two times 14?

"A. Yes.

"Q. Or 28 hours; is that right?

"A. Yes.

"Q. For each gang?

"A. Yes.

"Q. The coastwise I think you said had more tons than the Puerto Rican?

"A. Yes.

Respondents' Exhibit "R-18".

"Q. And the same gang will take care of that?

"A. Yes.

"Q. And do you know approximately how many hours they devote?

"A. It would be probably the same amount.

"Q. Fourteen hours per ship or a total of 28 hours for the coastwise run?

"A. Yes. (R., pp. 148-149.)

Dr. Walter L. Eisenberg, economic consultant to ILA, gave extensive testimony on the labor economies arising under containerization. He submitted a number of hypothetical examples as to the effects on employment requirements of container operations, built around the assumption that, in conventional cargo handling, productivity is approximately 15 tons per gang per hour, while under conditions of full containerization, productivity may be about 286 tons per gang per hour. At present levels of wages and fringes, he calculated that the cost of unloading and loading of a ship of about 4,000 tons would be: (1) for a conventional ship, $8.20 per ton; (2) for a ship which was 20 per cent containerized, $6.98 per ton; (3) for a ship which was 50 per cent containerized, $4.15 per ton; (4) for a fully-containerized ship, 37 cents per ton.

The economic model constructed by Dr. Eisenberg is useful for illustrative purposes only. Even so, it is somewhat extreme since it assumes that a ship returning to New York will be fully loaded, something which is not likely to occur. And it may be supposed that a variety of other qualifications would under real, as opposed to hypothetical, conditions produce smaller effects than those claimed. We may, therefore, regard his calculations as suggestive rather than as definitive; even so, they indicate that containerization leads to substantial reductions in labor utilization.

Respondents' Exhibit "R-18".

". . . using that 20 per cent containerized operation that I was talking about, by our estimates somewhere between 8 and 7 cents and 9 hours per man would be lost to I.L.A. members for each 800 container tons that would be taken from the conventional kind of loading operation to this new method.

"In dollars and cents, this would amount to a saving of about $5,000—somewhat less than that.

"That is on a 4,000 ton discharging operation or a 10,000 ton discharging and loading operation combined, where this tail or fraction is 20 per cent of the total.

"At that rate, each such containerized operation would yield a saving of $22 and fringe costs, without any reduction in the number of gangs used.

"If we used the method of increasing its proportion of containers for this mixed kind of operation, it would be possible to increase the productivity of the operation, to cut down the number of men utilized and at the same time have fairly substantial savings.

"It is our estimate, and we regard it as conservative, even if it is based on no reductions in the number of gangs used per vessel . . . a savings of at least 61 cents in wages and fringes per ton for every (ten) per cent of containerized cargo, a mixed container and conventional load. . . .

"To put the conclusions from our estimates another way: Even if the number of gangs used was not reduced as container use increased, the earnings and hours of longshoremen would be cut out as containerized cargo increased.

"With each additional ten per cent of cargo that is put into containers, the employers wage and fringe savings per ton should increase by about seven per cent.

"To put the savings still another way, by containerizing 20 per cent of the vessel's general cargo, enough

hours are gained to permit using fewer gangs for discharging and loading, where five were used in the illustration and I used 4.

"It would now be possible to do with four such gangs, because the total hours employed for 4,000 tons of discharging on a conventional vessel, we estimate at 6,804.

"For a 20 per cent containerized operation, we estimated 5,670 hours used.

"So the savings there is for 1,134 fewer hours, and that would be roughly the equivalent of an entire gang.

"It would make it perfectly feasible to do this job with four gangs instead of five." (R., pp. 387-388.)

It should be observed that the testimony just quoted relates merely to the savings alleged to flow from the loading and unloading operations alone, and thus takes no account of the reduction in the need for clerks, checkers, extra labor, etc. As indicated above, there may be substantial disagreement with the method employed by the witness in arriving at his conclusions, as well as with the estimates of specific savings. The fact would remain, however, that when container operations are introduced they permit a given amount of cargo to be loaded or unloaded with a good deal less labor than on conventional operations.

III.

While NYSA does not concur in the estimates of labor displacement asserted by ILA, it does not contend that containerization will not yield economies in the utilization of labor. When, therefore, it argues that nevertheless no royalty or payment should be awarded by this Board, its position is predicated upon a claim that impact of containerization will not be so great or so rapid as charged by ILA and that, in any event, cushions have been provided against such impact.

Respondents' Exhibit "R-18".

In the first place, NYSA asserts (NYSA Brief, p. 13) that "The container program in the shipping industry is minimal. Its growth will be gradual over the years." As subsidiary points, it states that (1) there are only five fully containerized vessels in this port, and a large portion of the container tonnage on these vessels is loaded or stripped on the piers by ILA labor; (2) the cargo handled in containers by non-ILA labor and loaded on conventional cargo vessels represents a very minor percentage of the total tonnage; (3) many limitations exist which impel against the rapid increase in the use of containers in the port.

As to the first of the subsidiary points, it may be assumed that fully-containerized ships will be added slowly, if at all, because of the length of time required to go from the planning stage to the delivery of a ship; it may even be conjectured that it is unlikely that ships which are fully containerized will be transferred from coastwise operations or some other service to this port. It may not be concluded from this, however, that the tonnage handled in containers will not nevertheless increase sharply. At the time of the hearings, only three of the fully-containerized ships were in service. As to these, we are told only that "over 26%" of the containers carried were loaded or stripped on the pier; no information was furnished as to the total volume of containerized cargo. Surely this information would have assisted us in understanding some of the dimensions of the problem. Reticence as to Sea-Land's container volume did not extend to, among others, U.S. Lines, Grace Line, or Bull Line. It is certainly not unreasonable to conclude that the addition of Sea-Land's container operations would have made a very sizeable increase in the total volume of container cargo carried in the port. Further, when the two other fully-containerized ships are put into service, they will, by themselves, materially affect the volume of container cargo.

Of far greater potential significance is the fact that apparently no very long period of time is required to convert a conventional ship to a so-called semi-automated ship by fitting out some of the hatches only to the handling of containers. That this can be done in relatively short time and at relatively small cost, compared to the time and cost involved in a fully-containerized operation, means that we cannot set any confident outside limits to the size of the problem so far as the number of ships is concerned. While the impact of a fully-containerized ship is clearly more profound, that of a partially-containerized ship is certainly substantial. Yet, we have no way of knowing whether, even within the relatively short period of the collective bargaining agreement, there will be such conversions.

Most important, perhaps, is the fact that the volume of container cargo may be very sharply increased simply by the handling of containers on conventional ships, and without the construction of fully-containerized ships or the partial conversion of existing conventional ships. We are told that over two-fifths of the steamship companies use no containers at all and that only two per cent of the cargo carried in deep-sea operations, apart from the Puerto Rican run, is handled in container. However, not only is there no assurance that the volume of container cargo will remain at its present level, but there are indications of a desire and purpose to have the containerized tonnage grow sharply. This is what has been happening at Bull Line since its acquisition of many 35 foot containers. U. S. Lines, in 1959, apparently carried only 2.2 per cent of its total tonnage in containers (11,859 tons out of a total of 529,865). Yes, Captain Devlin of U. S. Lines testified that this company which owned 628 containers and rented 82 for a total of 710 had purchased, on July 1, 1960, 500 more containers "at a bargain sale" (R., p. 670). These containers were described by Captain Devlin as "small",

though he said that they "are just slightly larger than the Dravos" and, as such, are within the containers covered in this proceeding. The containers represent obviously a very large percentage addition to U. S. Lines' supply, and it is not reasonable to suppose that such an addition would have been made, bargain or no, if it had not been contemplated putting them to use fairly soon. Further, Captain Devlin acknowledged that "We are trying to build up the container theory within our company" (R., p. 674), adding, "I would hope, and I want you to mark this, I would hope that one day we would reach a sufficient container operation which would be twenty or twenty-five per cent, where we could get possibly on-premises loading to a break-even or make-something average." (Id.)

We are dealing here with one of the most critical dimensions of our problem, and yet have no guide or clue which would make possible a confident forecast as to developments even with the quite short-term future. If there should be no appreciable increase in shipper-loaded containers, ILA fears of wholesale displacement of labor would prove to be unfounded. The advantages to the employer of containerization are manifest and substantial—sufficiently so, in our judgment, as to make it rash to conclude that the increase in container operations will be at a very gradual rate. On the other hand, we are unable to conclude that the advent of containers will necessarily be greatly accelerated.

IV.

Counsel for NYSA, contending that containerization has at least this far not had the adverse effects upon employment opportunities asserted by ILA, has introduced extensive evidence on the number of "regular" jobs in the port as well as on the number of hours worked. The point of this evidence is to establish that the number of

jobs as well as the number of hours worked showed no diminution over the past five years.

We indicated earlier the NYSA position that protection should be afforded "regular" employees adversely affected by containerization. NYSA Exhibits 17, 18, 19, and 20 show that the number of employees working over 700 hours per year has remained fairly constant over the past seven years; NYSA has used the 700 hour-per-year test as the measure to regularity of employment, and from the fact that the number of "regular" employees so defined has not varied much, NYSA concludes that ILA claims of job loss due to containerization are without basis in fact. A number of comments should be made. In the first place, the total volume of shipper-loaded containers over past years, and even at the present time, has certainly not been large enough to make much of an impression on the total volume of employment. We have already cited NYSA testimony to the effect that, the Puerto Rican run apart, only about 2 per cent of the deep-sea cargo in the Port of New York was handled in containers and that, of this amount, a substantial portion was loaded or stripped on the docks. In such circumstances, even if the shipper-loaded containers did away with substantially all ILA labor, the impact upon the total volume of employment would not stand out as serious; by way of illustration, between 1956-57 and 1958-59, the number of "regular" checkers declined from 2,529 to 2,484, a drop of 55 "regular" jobs or about 2 per cent. It scarcely needs to be pointed out that fluctuations in employment of this magnitude may arise from all manner of causes and cannot be definitively attributed to any single factor such as containerization. Changes in the level of business activity, to take but a single illustration, will surely have a far greater influence upon total volume of employment, up and down, than can possibly be attributed to shipper-loaded containers which

account for such a small portion of the total volume of cargo. This does not mean that the shipper-loaded containers do not have the effect claimed by ILA; it does mean that the effect, as long as the amount of containerization remains small, will not show up plainly in aggregate figures which are so large as those with which we are dealing.

Moreover, aggregate figures leave much to be desired, for other reasons. However stable the *total,* the individuals who manage to put in their minimum of 700 hours of employment may vary from year to year, particularly those at or near the crucial figure. Thus, by NYSA's definition, a man who had previously worked 800 hours a year and who, because of a technological development, now works only 600 hours a year, is no longer a "regular" employee, and in this way falls beyond the pale of the employers' recognized obligation.

The aggregated hourly figures presented in evidence indicate that the number of man hours worked in the Port of New York has, if anything, tended to rise (NYSA Exhibits, 1, 9, and 15). But, like the aggregates of the number of employees, the aggregate hourly figures cannot isolate individuals who may be affected by technological changes. The customs of the Port are such that a man who loses work opportunities cannot exercise his seniority across craft lines. The collective bargaining agreement covers not only longshoremen, but also men engaged in related employments. Thus, there are coopers and carpenters who do repair and maintenance work. There are clerks and checkers who keep records and make inspections on the docks. There are the men who do lighterage work. And there are others. All of these can feel the impact of containerization—and the impact will vary with the degree of containerization—and they cannot "bump" longshoremen or members of other crafts who may be junior to them in length of service (R., pp. 222-225).

Respondents' Exhibit "R-18".

Furthermore, within a given occupation, seniority is not port-wide, so that if jobs decline in Brooklyn but rise in Port Newark, Brooklyn workers cannot follow the work and thus lose job opportunities, even though the total number of man-hours worked in the entire port remains the same. By virtue of shifts in the location of the work, newcomers to the industry may, by virtue of their favorable situation, acquire "regular" jobs and accumulate quite large totals of hours worked, while workers with many years of service in the industry may, because of their location, suffer drastic curtailment in employment opportunities. The movement of Moore-McCormack from Manhattan to Brooklyn, referred to above, may be cited as an illustration of how some groups of employees may be adversely affected without perceptible change in the total of employment opportunities.

NYSA has said quite candidly that the man-hours-of-work test is inadequate:

> "While total number of hours have been growing and thus give no support to the ILA's position, we believe it only fair to point out that it is not reasonable to use man hours as a test, because of the many variable factors which affect hours. No single factor can be pointed to as the reason for a diminution or increase in average hours worked. The most important factor is the over-all national economic health. Then, there is the prosperity or lack thereof in the shipping industry, the nature of the cargo being moved, depending in large part upon what the public is buying, competition between this port and other American and foreign ports, as well as many other general factors.
>
> "In addition to these general factors, over which the industry has no control, hours of work also depend upon many factors within the sole control of the long-

shoremen themselves. Longshoremen are not hired by the week, or even day, but rather by the shift. There is a high degree of absenteeism . . . . Some longshoremen have other occupations which prevent them from working all the hours that might be available to them. Many prefer day work and refuse overtime. Others will work only at night because of the overtime differential. With the regular longshoreman, the number of hours he will work is subject to his own desires, in large part. Hours of work is therefore an inconclusive test." (NYSA Brief, p. 23.)

Much of what NYSA has said here in respect to hours of work is equally applicable to jobs as such. Certainly, overall economic conditions, "the prosperity or lack thereof in the shipping industry," competition between shipping and other forms of transportation, competition between this port and other ports, domestic and foreign, will affect the number of jobs as they affect the number of hours worked, though perhaps in different degree. Since, therefore, these and other factors will be reflected in levels of employment and hours of work, the isolation of a single variable among them is not possible. Different factors may offset each other or they may have cumulative effect in the same direction. It is possible for containerization to cause substantial loss of work opportunities and yet, because of favorable economic conditions generally, to have growth in the number of men employed and in the hours worked. It is also possible for containerization to have little or no adverse employment effects, and yet, because of unfavorable economic conditions, have a large drop in the number of men employed and in the hours worked. In view of this, data as to employment and hours worked cannot be accepted as very meaningful indicators of the significance of containerization upon employment opportunities.

Respondents' Exhibit "R-18".

V.

Counsel for NYSA argues that "Any loss of jobs or decline in manhours from an increased use of containers loaded or unloaded off the piers by non-ILA labor is more than offset by the high attrition rate of 1,000 regular employees—which results from pensions, deaths in the industry and terminations of employment for other reasons." (NYSA Brief, p. 28.) Stated somewhat differently, this means that the job opportunities of those persons remaining in the industry will not be impaired, notwithstanding a reduction in the labor force requirements, since pensions, deaths, and labor turnover from other causes will operate to reduce the total labor force more than proportionately to the reduction in the amount of work to be done; ". . . the forces of attrition can reduce the regular work force naturally without injury to any specific individuals." (NYSA Brief, p. 12.)

Upon the basis of data as to the number of employees who have left the industry for the above-mentioned reasons, NYSA argues:

> "The vacancies created by this annual turnover more than compensate for any possible loss of jobs (or even decline in hours) that might conceivably result from the limited but gradually increasing shipper loaded container program in the Port of New York.
>
> "The approach of safeguarding jobs and meeting the social consequences of increased mechanization through attrition constitutes the sound approach to the problem at hand. Clearly there is no need for any fund since the problem is not as urged by the union. To safeguard the port and the jobs, the arbitrators should hold that no amount should be paid on containers loaded or unloaded away from the pier by non-ILA labor, the sole issue presented in this arbitration." (NYSA Brief, pp. 30-31.)

Respondents' Exhibit "R-18".

If, in fact, the number of regular employees can be expected to diminish at an orderly pace through pensions, turnover, etc., the effect of containerization may well be minimized or offset as contended by the Association; we would have a "consummation devoutly to be wished." For a number of reasons, however, attrition contemplated by NYSA may not have the suggested effect. In the first place, none of the listed causes of attrition is new (though the increase in retirement benefits may stimulate an increase in the number applying for pensions), yet over the past several years there has taken place no decrease in the number of regular employees. NYSA itself supplied evidence showing that in 1953 there were 21,321 regular employees, while in the contract year ending September 30, 1959, there were 23,178 regular employees (defined in both years as including those who worked more than 700 hours). Over the period from October 1, 1953 to September 30, 1958, there was an average of 23,012 regular employees, so that the 1959 total given above was above the average for the six-year period. In 1953-54, there were 2,369 regular checkers; in 1958-59, the number was 2,484. From 1953 to 1958, there was an average of 916 regular clerks; in 1958-59, the number was 965 (NYSA Brief, pp. 20-21). Since during the six-year period, attrition was taking place —some employees died, others retired on pensions, and still others left the industry for other reasons—it can only be assumed that employees who in the earlier year did not qualify as regular employees (by the 700 hour test) became regulars by virtue of securing steadier jobs, or new entrants into the industry rose to the status of regulars, or both. What reason is there now for supposing that in the period lying ahead of us these forces will not continue to operate? How can we know that whereas formerly the places of those who left the industry were taken by new entrants and the upgrading of casual, now the places left vacant by the death or retirement of regular employees will

be made available, chiefly if not solely, to other regular employees who may be adversely affected by containerization? Is there reason to suppose that entrance into the industry will become substantially more difficult than it is at present?

Moreover, the seniority system which prevents cross-craft shifts insures that even at a steady rate of technology and attrition, the effects will be uneven within the classifications involved:

> ". . . when you are filling a gang vacancy, you exhaust gangs generally before you would even go to extra labor.
>
> "When you are filling an extra labor vacancy, that can be filled only from these individual extra labor employees, you don't get a man from a gang until the very bottom of the list, and you would never go across the checkers' and clerks' seniority to get a longshoreman, and vice versa.
>
> "The same (is true) for carpenters, coopers and maintenance men . . . (if) you were going, in effect, to wipe out an entire class or a large part of a class, the extra labor . . . who load or unload trucks (and who are directly affected by containerization) you can't say that there is an attrition in checkers' and clerks' jobs, (or) that there is an attrition in longshore gang employment, because your employment does not cross these lines.
>
> "Your attrition in longshore gang employment has to be filled . . . through other people in gangs of lower seniority.
>
> "Your attrition in the checkers and clerks has to be filled through the checkers and clerks, perhaps through a man who has only been in the industry for one year, but you cannot take a 20-year extra labor veteran and put him in a checkers' and clerks' vacancy that has been caused either through retirement or death, above

a man who has become a checker or clerk only a year ago and is in the industry only that year. You don't cross lines that way." (R., pp. 354-356.)

In brief, while attrition may work in the manner described by the Association, we cannot be reasonably sure that it will. The total number of regular employees may or may not diminish in the face of retirements, deaths, etc. In any event, it is likely that, regardless of the overall totals of employees, different effects of containerization upon different groups of employees will produce a differential in the response to attrition.

The preceding discussion should make it clear that while we believe that containerization will result in labor displacement, there are many crucial elements as to which we are very uncertain. Among these is the rate of containerization; the evidence indicates that there will occur an acceleration in the introduction of containers, but we have no way of knowing specifically what this will mean in terms of containerized cargo handled. Among these, too, is the size of the impact of containerization upon employment opportunities. Finally, there is the matter of the degree to which this impact will be offset or overcome, whether by attrition or other causes. On balance, we are of the opinion that the adverse employment effects of containerization will not be fully offset by other factors, and that, therefore, provision should be made for a royalty fund. This brings us to the question on the basis upon which such royalties should be paid.

We start with the proposition, referred to at the outset of this opinion, that the parties contemplated that the royalies, if any, should be paid entirely by the companies resorting to container operations and that employers who used no containers of the kind covered by this proceeding should be exempted from payment. Implicit in this is the notion that payments should reflect the extent of the impact of the container operations of any particular em-

ployer upon employment opportunities. We searched, therefore, for a formula which would be based upon the extent to which any type of container operation would impinge upon employment. We endeavored to arrive at a solution which would not discriminate unfairly against anybody, one which would not cause one employer to be required, in effect, to pay for the consequences of another employer's containerization. This obliged us to distinguish as carefully as we could among the various types of labor displacement, particularly those involved in the actual loading and unloading of ships, on the one hand, and those affecting extra labor, clerks, checkers, etc., on the other.

ILA had asked for a royalty schedule of from $1.50 to $3.00 per ton, based upon the size of the container. We decided to reject this approach, since it failed to take account of all the labor displacement in loading and unloading of ships. While reflecting to some degree differences in the speed with which ships could be loaded or unloaded, the container size approach ignored other differences which seemed to us quite important. Moreover, it would seem to require very cumbersome record keeping, and it would perhaps provide an incentive to cut down the size of containers sufficiently so as to bring them within the lowest class of rates.

A flat royalty per ton regardless of the size of the container or the nature of the ship carrying it has the obvious appeal of simplicity and ease of administration. We rejected this, after extended consideration, because it took no account of the ways in which the nature of the ship on which the containers are carried affects employment opportunities. Thus, the uniformity of the rate would provide a structure which be only superficially fair.

We ultimately came to the conclusion that the best single standard for the measurement of the impact upon em-

ployment opportunities was the ship itself: that is, whether the ship was a conventional one, whether it was partially-automated or fitted out for container operations, or whether it was a fully-automated or containerized ship.

In the first place, testimony at the hearing indicated that many of the conventional ships did not readily lend themselves to reasonably full utilization for containers and that the loading of containers on such ships often yields only small, if any, labor savings. Thus, Andrew Warwick, president of T. Hogan & Sons, testified:

> "Well, with our ship, again, with our type of ship, we have a limitation on the hoisting of the containers. We lift three tons on a single fall; anything above that we have to either double up or treble up, depending on what the load is. So that with the containers, they pose a problem of, well, if we had six containers and three of them are above three tons, we double up and hoist all six with the double gear, because it takes too much time to double up and single up. . . . and the time consumed to double up, for example, would be a half hour at the start, and when we finish with the doubling up, it would take a half hour again to single up again.
>
> "So that when you hoist six containers, by the time you double up to hoist these and in singling up after your finish, it is—well, as far as I'm concerned, it is a losing deal all the way through. Because there is too much non-productive time." (R., pp. 613-614.)

An increase in container volume would doubtless minimize the significance of non-productive time and lead to substantial economies, though the witness indicated (R., p. 638) that the number of ports of call for his line tended to reduce the economies of containerization. Nevertheless, it is clear that when we contrast a conventional ship handling containers with a ship which has been specially

fitted out for this purpose, the difference is more than a difference in degree, it is a different in kind.

A comparison of Sea-Land Service with Bull Line points up the differences in the rates at which the two kinds of ships can be loaded even though the containers are of the same size in both cases. Nelson K. Rogers, of Sea-Land Service, testified that without counting the Jacksonville freight on top of the Puerto Rican cargo, productivity amounted to 190 net cargo tons per gang hour (R., p. 692). Container for container, Sea-Land's loading operation was perhaps 3 to 4 times as fast as that of Bull Line; stated differently, assuming the containers to be equal in weight, the time spent at Sea-Land by the employees in loading containers was only ⅓ to ¼ that at Bull Line. Since Bull Line also carries non-containerized cargo, it may be relevant to point out that for 57 sailings from December 11, 1959 to June 23, 1960, its average productivity was 13.4 tons per gang hour, which stands in sharp contrast to the 190 tons acknowledged by Sea-Land. (NYSA Exhibit 13.)

Now, if by reason of the nature of the ship it is possible for one vessel to be loaded with a smaller volume of labor per ton than another, this vessel causes a larger displacement of labor proportionately than the other; to impose the same rate of royalty on both would be to discriminate unfairly against the one which has displaced less manpower per ton of cargo.

In addition to the labor displacement caused by the speed of the loading and unloading operation, which manifests itself in a reduction of the number of gang hours per ton of cargo, there is the very important fact that on conventional ships, there is a gang in every hatch whereas on a containerized ship there may be—and on Sea-Land Service there are—only two gangs for the whole vessel. This illustrates, in clearest form, the labor displacement created by the automated ship. Assuming six hatches per vessel, the automated ship would employ four fewer gangs than

the conventional ship carrying containers. This substantial reduction in the number of employees, added to the reduction in the number of hours of work required by reason of the nature of the vessel, make for such great distinctions between the automated ships and the conventional ships as to compel the conclusion that the royalty rates which are set should be based upon the type of vessel: that is, whether it is a containerized ship or a conventional ship.

Between these extremes, it is possible—more, it is likely—that ships coming into service will be partially, rather than fully, containerized or automated: that is, that some of its hatches or a portion of its bale cube may be fitted for the accommodation of containers. Here, the displacement of labor is greater than on conventional vessels but not so great as on the fully-containerized ships. To place the partially-containerized ship in either category is to fail to recognize the distinctions between this sort of ship and either the conventional ship or the fully-automated ship. Partaking of the nature of both of the others, it is yet different from each.

It has seemed wise to us, therefore, to create a rate structure which would take account of the characteristics of each of the classes of vessels: (1) the conventional ship carrying containers; (2) the fully-automated or containerized ship; (3) the ship, not more than two of whose hatches, or not more than 40% of whose bale cube, has been fitted for the handling of containers. This kind of classification, it seems to us, is entirely justifiable in light of the technological factors affecting the utilization of labor. It would have been possible, of course, to have provided for a more subtle breakdown of rates: that is, to set a schedule of rates which would distinguish between vessels with three converted hatches and, say, those with four or five converted hatches. However, we concluded that this would be both cumbersome in administration and not necessarily reflective of the actual differences in labor utilization.

Respondents' Exhibit "R-18".

VII.

As to the amounts of the royalty payments, it is evident, in view of the foregoing discussion, that any decision is by its nature bound to be based upon a good bit of guesswork. Lacking knowledge as to the dimensions which the problem will assume over the next two years or so, and lacking authority to make any determination as to the disposition of the payments, we have inevitably had to grope for an answer which would be relatively realistic and workable. We have decided that the royalty for containers of the sort covered by this proceeding shall be determined according to the following formula: (1) in conventional ships, 35 cents per gross ton; (2) in the partially-automated ship, in which not more than two hatches and not more than 40 per cent of the bale cube has been fitted for the handling of containers, 70 cents per gross ton; (3) in automated or containerized ships, in which more than two hatches or more than 40 per cent of the bale cube has been fitted for the handling of containers, $1.00 per gross ton.

At the lower end of this schedule of royalty payments, the royalty seems reasonably situated, in light of all the circumstances, to the royalty to which the parties have agreed in the case of bulk sugar. The higher rates in the schedule represent an effort to approximate the variations in the degree of labor displacement on the different types of ships.

We specify in the award that the royalties shall run for the life of the present collective bargaining agreement, subject to the provisions for limited reopening. It has seemed to us inappropriate to provide for an indefinite period, particularly in view of the many important unknown quantities. Indeed, we are reluctant to have even this period pass without affording to the parties an opportunity to re-examine the problem in the light of experience.

us unreasonable to disregard in toto the long period which has elapsed since the drawing up of the Memorandum of Settlement. Recognizing the diffierence in the nature of retroactivity between a royalty fund such as is now to be set up and, for example, a wage increase, we nevertheless feel that it would be unfair not to recognize that during the long period of the hearings and consideration by the Board of Arbitration, far more time was consumed than was contemplated by the Memorandum of Settlement. In the light of these circumstances, we are of the opinion that the payments into the royalty fund should be made effective as of July 1, 1960.

IX.

At the close of the hearings, counsel for the ILA asked that the award incorporate an order for the maintenance of records to be made available to ILA. (R., p. 761.) There is nothing in the Memorandum of Settlement which indicates, or even suggests, that it was intended to vest in the Board of Arbitration power to direct the gathering of the kind of information which the ILA presumably had in mind. Accordingly, the award makes no mention of any provision respecting records. In any event, there is nothing which leads us to believe that the present records are inadequate. Finally, it is not at all clear what kinds of information were contemplated when counsel said, ". . . we think it should be made mandatory on all companies to supply this information so that what gaps we have in our knowledge now can be filled in the future . . ." (Id.) Presumably, as the parties acquire more experience with containerization, they will be able to determine for themselves just what kinds of records are needed and how they should be maintained.

.....

Emanuel Stein, Chairman

November 14, 1960

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.....

Emanuel Stein, Chairman

November 14, 1960

Respondents' Exhibit "R-18".

NEW YORK SHIPPING ASSOCIATION, INC.
80 BROAD STREET, NEW YORK 4, N. Y.

November 30, 1960

Report No. 1844

CONTAINERIZATION ARBITRATION AWARD
Dissenting Opinion of ILA Arbitration Board Member
(Ref. Report Nos. 1839 and 1840)

With reference to the Containerization Arbitration Award and our Memorandum of Settlement, Reports Nos. 1840 and 1697, we enclose, for your information only, the Dissenting Opinion of Mr. Thomas (Teddy) Gleason, who represented the ILA on the three-man Arbitration Board.

Despite Mr. Gleason's dissention, it must be noted that the Containerization Arbitration Award is final and binding under the terms of our Memorandum of Settlement.

A. P. Chopin
Chairman

Respondents' Exhibit "R-18".

DISSENTING OPINION OF MR. THOMAS W. GLEASON

In the Matter of the Arbitration between

NEW YORK SHIPPING ASSOCIATION

-and-

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO

(MR. GLEASON DISSENTING FROM THE AWARD OF THE MAJORITY OF THE ARBITRATION BOARD AS TO Sections 1.a., 1.b., 1.c., AND 1.d.:)

I take vigorous exception and am completely opposed to the royalty schedule awarded by the majority of this Arbitration Board.

I firmly believe this part—which is the heart—of the majority's award to be wrong in both substance and method of application. In the form adopted by the majority, the royalty schedule does not resolve the problem before us in a manner that sufficiently minimizes potential adverse employee effects and further disputes and conflict between the International Longshoremen's Association, AFL-CIO, and the New York Shipping Association over the issues here involved.

In broad principle, the ILA had proposed a three-part royalty schedule which levied a payment on containers and their contents, with the amount of payment varying depending on whether the container was under 17 feet long, between 17 and 34 feet, and 35 feet or more. Because of the varying savings in time and cost per ton to the em-

ployer and because of the realized and anticipated corresponding adverse effects on the dock worker's earnings, pension benefits, welfare benefits, hospital program, and other contract benefits, the ILA proposed a royalty schedule which was closely tied to its estimates of the differences in savings in costs and losses in present and deferred earnings attributable to the variously sized containers.

The ILA's proposal was sound in conception and administratively feasible. Moreover, it was readily understandable to the dock worker and to the employer's supervisory personnel; the larger the container, the fewer and heavier the items of cargo handled with each movement of the "whip" from pierside to vessel or vice versa, the greater the loss in hours of work, and—quite logically—the greater the penalty on the container. The three-part dual criteria royalty schedule awarded by the majority does not accomplish this purpose in a manner that is acceptable to me.

The form and the amounts in the ILA's proposal were sound for a number of related reasons, as well. The royalty payment on any container of any size was to depend upon its actual content and the weight of the container, but not on the vessel's capacity. Vessel capacity is an irrelevant factor. Some vessels travel full, others travel "light". This is one of the basic facts of shipping operations. The ILA's proposal took into account only the actual tonnages involved. It made no reference to vessel capacity, nor did it penalize a shipping line for shipping containers in vessels that were not used to capacity. The form of the ILA's proposal was, therefore, fair to the employee and equitable as among the container-handling shipping lines. The ILA's proposal, also, gave due recognition to the fact that progressively larger tonnages in progressively larger containers were capable of carrying more than proportionately larger royalty payments, without introducing distinctions among the types of

vessel carrying containers. I regard such a distinction among types of vessel as an open invitation to chiselling evasions of the higher royalty levies imposed on the larger cargo-carrying containers.

Further, the NYSA took the position that no royalty payment at all was justified because it "could not find" any losses that had been experienced by the dock worker as a consequence of container use up to this time. Yet, during the course of the hearings, the NYSA was unable to produce comprehensive statistics showing the extent of container tonnage handled through the port of New York. This was a cute position for the Association to take. Of course, they could not see any past losses if they had insufficient records and figures for this operation in the port as a whole. But, that the losses had already been experienced was never refuted by the NYSA, throughout the course of the lengthy arbitration hearings.

The ILA's experienced officers, members, and economic expert who testified showed clearly that the losses in the use of extra labor and full gangs had already taken a heavy toll in the handful of companies that had gone into container handling so far. Even more important—and this was stressed by the ILA in its presentation—the shipping industry as a whole had up to the present only been dipping its toe into the possibilities for container use. The unsettled container dispute with the ILA had obviously kept most of the shipping lines from initiating or building up their container activities for the understandable reasons that any such build-up might give support to the union's forecasts of the adverse employee consequences of expanded container utilization, and that the costs of any royalty payments on container tonnage would remain unknown until the dispute over the issue was resolved.

The majority of this Board has given insufficient weight to a point that was stressed repeatedly by the ILA during

the hearings. The ILA was not merely seeking to have a royalty levied on container tons so as to compensate in some ways for past losses. It was seeking a royalty arrangement, first, because there were great savings at hand, and more ahead, for the shipping line and the shipper. The union wanted a share in these savings for its members, especially since these savings were clearly destined to produce a variety of subtle and obvious burdens on the dock worker. It was the union's fair objective to build a container-financed royalty fund which would blunt, in advance or concurrently, as many adverse employee effects as possible.

The majority of the Board by resting its royalty schedule on experienced adverse effects and by referring to a future opportunity for the parties to study their further experience, gives confirmation—even if indirectly—to my view that the amounts specified in the majority's award are inadequate. They must be inadequate because the concept of the purpose of the royalty, from which those payments have been projected, is narrow and inadequate. The "need" for a royalty was but one part the basis on which the royalty was projected by the union. The union sought for its members, and is entitled to, a share of the gains from improved efficiency in operations and the lower costs that come from faster loading and unloading and faster vessel turn-around. I believe the majority's view of the purpose of the royalty to be far more narrow than is warranted by the respective presentations of both the ILA and the NYSA.

I disagree with the form of the majority's royalty award on still another count. The ILA presented its proposed royalty payment schedule in terms of a progressive payment per ton, based on three classes of container size. The NYSA made no presentation at all on this point, simply taking the position that no royalty was justified.

Respondents' Exhibit "R-18".

In my opinion, the majority has taken upon itself a prerogative that was not open to it when it makes its award in the form that it does. I do not believe that the majority has the right to shape its award in a form which introduces a criterion for royalty payment that neither the union nor the employers put before this Board. That criterion is one of vessel-type. While this criterion became the subject of serious discussion among the members of this Arbitration Board after the hearings, I believe that it could properly have had its place in the award only if it had been first introduced into the case, at the hearings, by one or another of the parties. In my opinion, the Board had some latitude for reaching a decision at or in between the alternatives presented to it by the union and the employers, but the decision of the majority reached exceeds that latitude.

I disagree with the award of the majority for still another reason. The majority failed to make specific provision for coping with a number of vital technical and administrative details, in some instances leaving these to the parties, and in others not dealing with these at all.

I believe that the Board had a duty to outline the characteristics and structure of the joint administrative body which is to collect the necessary statistics and monies for this royalty fund. I would hope that the parties can demonstrate the collective bargaining maturity and spirit of cooperation that is necessary to create the machinery for implementing the majority's decision. But, I believe that the majority erred in not giving the parties some basic guide-lines within which to work.

Missing, too, from the majority's award is a definition of a "container" which would cover with a royalty obligation all unitized cargo that is put up in any form which serves the purpose of a completely enclosed container. The omission of such a definition will simply mean another

possible source of union-management conflict in that users of substitutes for containers or users of near-container devices are going to have to satisfy the union that these devices should be handled by the dock worker even though they are not part of the authorized group of containers.

Even though I disagree with the majority as to the principle of its "vessel container-capacity" royalty schedule, I am also moved to criticize the schedule on the grounds of possible problems it poses in application. The problems illustrate the difficulty I pointed out earlier in the matter of increasing the royalty rate by the container capacity of the vessel rather than by the cargo-carrying capacity of the container itself. The majority's award does not appear to make explicit reference to the deck-carrying container capacity of cargo-carrying vessels. My construction of the award permits the union to regard all vessels fitted to carry any containers at all on deck as automatically subject to either the $.70 per gross ton or $1.00 per gross ton royalty; no such vessel is a "conventional ship." Moreover, the union is perfectly justified in seeking $.70 per gross ton as the royalty on a conventional ship "where not more than forty (40) per cent of the ship's bale cube has been fitted for containers", but 40 per cent of the conventional vessel's capacity is actually loaded with containerized cargo. For, if a conventional ship is loaded with up to 40 per cent containers—as well it might be on a less-than-fully-loaded vessel—and the $.35 royalty were applied, it would be an outright abuse of one of the implicit bases upon which the majority's schedule is built, namely that conventional ships can not handle substantial percentages of containerized cargo. If the proportion were to go over 40 per cent on a conventional ship, the union is justified in seeking a $1.00 royalty, for the same reason as outlined above.

Finally, I can conceive of another kind of grotesque situation arising out of the dual basis—container tonnage and

container capacity of the vessel—for container royalty payments. A conventional ship with 30 per cent of its cargo in containers would be subject to a $.35 per gross ton royalty payment, but a partially "automated" ship with two hatches converted for containers and actually carrying only 25 per cent of its cargo in containers would pay $.70 per gross ton on containerized cargo (or, even more disparate, $1.00 per gross ton if the vessel had more than two hatches converted but was carrying only 25 per cent containerized cargo). I approve of the idea of the higher royalty payments under even these circumstances, but I am deeply troubled by, and object to, the creation of a schedule which may permit heavily container-loaded conventional ships to escape a perfectly justifiable higher royalty. It does not matter whether the container is carried in a canoe or in the Queen Mary. The royalty belongs on the container and its contents alone.

For all of the foregoing, I dissent in every detail from the award made by the majority in Sections 1.a, 1.b., 1.c., and 1.d. The form and the amounts of royalty proposed by the union are sound and completely justifiable. The minimum royalty set by the majority is far too low and the maximum royalty is not high enough.

The re-opening provision unanimously approved by the Board attests to the tentative nature of the award. This Board would have made a far sounder and more lasting contribution to the resolution of this issue, if it had adopted the union's proposal in both form and amounts and made the re-opening applicable to the situation as it developed under that schedule. The burden of the majority's award rests too heavily on the dock worker. It is a burden that properly belongs on the employer.

/s/ Thomas W. Gleason
Thomas W. Gleason

November 16, 1960

Respondents' Exhibit "R-18".

NEW YORK SHIPPING ASSOCIATION, INC.
80 Broad Street
New York 4, N.Y.

December 1, 1960

Report No. 1845

PAYMENTS
CONTAINERIZATION ARBITRATION AWARD
(Reference: Memorandum of Settlement:
Report No. 1897—and Reports
Nos. 1839 and 1840)

Pursuant to the terms of the Arbitration Award on Containerization as published in N.Y S.A. Report No. 1839, the Board of Directors has approved that payments made under that Award be made on the attached form.

Payment must be made only:

A. On the contents of containers of Dravo size or larger loaded to or unloaded from vessels engaged in deep-sea offshore trade.

B. For containers loaded or unloaded at terminal points away from the pier by non-I.L.A. labor.

C. On gross tons of 2240 lbs. weight, applied only to the contents of each container.

Separate forms, *in duplicate,* must be filed with the Association for each company's operation at each pier or terminal, and should cover containers affected by this Award handled on that pier or terminal. Records of these payments must be kept on a pier by pier (or terminal) basis in order to provide a proper method by which payments can be checked in case of a challenge.

Respondents' Exhibit "R-18".

As noted in the Arbitration Award, payments on containers are to be retroactive to July 1, 1960. This should include all containers loaded or unloaded away from the pier by non-I.L.A. labor as of that date.

Payments shall be made to the order of NYSA-ILA CONTAINERIZATION FUND, 80 Broad Street, New York 4, New York. The first payment should be made not later than January 15, 1961. It should include payments on containers handled for the 6-month period from July 1, 1960 to December 31, 1960 inclusive. Thereafter, monthly payments should be made by the 15th of each month for containers handled during the preceding month.

Additional copies of the attached form may be secured by contacting the New York Shipping Association, Miss S. Hart.

A. P. CHOPIN,
Chairman

Attach.

Respondents' Exhibit "R-18".

THIS FORM IS TO BE FILLED OUT BY ALL COMPANIES. PAYMENT MUST BE MADE ONLY:

A. On the contents of containers of Dravo size or larger loaded to or unloaded from vessels engaged in deep-sea offshore trade.

B. For containers loaded or unloaded at terminal points away from the pier by non-I.L.A. labor.

C. On gross tons of 2240 lbs. weight, applied only to the contents of each container.

IF NO CONTAINERS ARE HANDLED THAT FALL WITHIN THIS CATEGORY OR IF CONTAINERS HANDLED ARE EMPTY, EACH COMPANY MUST SUBMIT A COPY OF THIS REPORT EACH MONTH, SHOWING "NONE" IN THE APPROPRIATE COLUMN.

PAYMENT

CONTAINERIZATION ARBITRATION AWARD
(Reference: Reports Nos. 1697,
1839, 1840 and 1845

Company _____ Date of filing _____

_____ For the month of _____, 1960.

_____

Pier _____

Respondents' Exhibit "R-18".

Number of Containers	Gross Tons (2240 lbs.) Contained therein		Amount
_____	_____	@ 35¢ per ton (Conventional ships)	_____
_____	_____	@ 70¢ per ton (Partially automated ships)	_____
_____	_____	@ $1.00 per ton (Fully automated ships)	_____
		Total	═══

Enclosed: Check #_____ dated _____ on the _____ bank.
(Mail check payable to:
NYSA-ILA CONTAINERIZATION FUND
86 Broad Street, New York 4, N. Y.)

.....
(Signed)

.....
(Title)

Respondents' Exhibit "R-19a".

August 9, 1962

Mr. Jacob Hayes
Sea-Land Service, Inc.
P.O. Box 1850
Port Newark, New Jersey

Dear Sir:

At an emergency meeting of the Joint Labor Relations Committee held at these offices on Wednesday, August 8, 1962, at which meeting you were present, the Committee was asked to hear a complaint of the Union that your company was in violation of the contract.

After hearing the arguments presented by both sides, the Committee unanimously ruled:

> "That the contract has been violated in that Sea-Land Service, Inc. did not live up to Part '8', Section 'C' of the Memorandum of Settlement of December 3, 1959."

Very truly yours,

J. S. NOSSMAN
Secretary to the
Joint Labor Relations Committee

cc: Captain V. Bradley
Mr. T. W. Gleason
Mr. William Carr

Respondents' Exhibit "R-20".

GENERAL CARGO AGREEMENT

BETWEEN THE

NEW YORK SHIPPING ASSOCIATION INC.

AND THE

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION
(AFL-CIO)

October 1, 1964—September 30, 1968

for the

PORT OF GREATER NEW YORK AND VICINITY

* * * *

Respondents' Exhibit "R-20".

PART I—Preamble

THIS AGREEMENT, made and entered into by and between the members (hereinafter sometimes referred to as the "Employers" or the "Employer-Members") of the New York Shipping Association, Inc. (hereinafter sometimes referred to as the "Association"), Deepwater Steamship Lines and Contracting Stevedores of the Port of Greater New York and vicinity, as party of the first part, and the International Longshoremen's Association (AFL-CIO), and its affiliated Locals (hereinafter sometimes referred to as the "ILA" or the "Union"), as party of the second part, covers the work pertaining to the rigging of ships, the coaling of same, the loading and unloading of all cargoes, including mail, ships' stores and baggage, and the handling of lines in connection with the docking and undocking of ships in the Port of Greater New York and vicinity.

Wages, hours, the amount of contributions for welfare and pension benefits (but not the benefits to be provided by the welfare and pension plans) and the duration of the term of this agreement are set forth in a separate contract (hereinafter referred to as the Master Contract) to which the parties hereto are paries covering all ports on the Atlantic Coast of the United States from Searsport, Maine, to Hampton Roads, Virginia, inclusive, in which the International Longshoremen's Association (AFL-CIO), is recognized as the collective bargaining representatives of employees.

The employer-members of the Association agree that they will not directly perform work done on a pier or terminal or contract out such work which historically and regularly has been and currently is performed by employees covered by this agreement or employees covered

by ILA craft agreements unless such work on such pier or terminal is performed by employees covered by ILA agreements.

All work on the piers relating to the loading of trucks, when truck loading service is provided by the employer, shall be performed by employees covered by this agreement. The association will do everything it can lawfully do to maintain in effect tariffs which provide that the loading of trucks shall be done exclusively by the terminal operators participating in the tariff filed with the Federal Maritime Commission.

* * * *

(E) INCOME GUARANTEE

1. Effective April 1, 1966, and for the duration of the Agreements, all employees covered by these Agreements who have been paid for at least 700 hours by employer-members of the NYSA during the year April 1, 1965 to March 31, 1966, are guaranteed an annual income of not less than 1,600 hours a contract year (October 1 to September 30) multiplied by the hourly straight-time rate applicable during each such year.

2. Payments of such guarantee shall be made on an annual basis (after the first six month period of April 1, 1966 to September 30, 1966) within a reasonable period after the end of the contract year, which reasonable period shall be determined under the procedures set forth in Part XV, below. However, at the end of each of the first three quarters of the contract year, each qualified employee shall be paid up to 75% of so much of the amount of his guarantee cumulatively due him as of the end of such quarter. Final settlement will be made at the end of the last quarter. As to the first six month guarantee pe-

riod (namely, April 1, 1966 to September 30, 1966), each employee shall be guaranteed a six month income of 800 hours multiplied by the hourly straight-time rate applicable during that period and each qualified emloyee shall be paid up to 75% of the amount of his guarantee as of the end of the first quarter-year of said six month guarantee period.

3. (a) Employees who are unable to work in all or part of the above qualifying year by reason of sickness, injury, or disability and who receive welfare benefits under NYSA-ILA Welfare Plan or who receive workmen's compensation or disability benefits under any federal or state law, whose absence from the industry as unable to work has been certified under standards established in accordance with the procedures set forth in Part XV to be administered by NYSA-ILA Medical Center physicians, shall receive credit towards computation of such qualifying 700 hours at the rate of 20 hours per week during such sickness or disability. The standards established under Part XV below are to be strictly applied.

(b) Any employee who worked a minimum of 700 hours under collective bargaining agreements in the year preceding his induction into the Armed Services of the United States and who by reason of such service was unable to qualify in the qualifying year shall be given pro-rata credit for the period of time actually in the Armed Services of the United States towards the computation of the qualifying 700 hours, provided such employee is honorably discharged from the Armed Services and returns to the industry within a reasonable period thereafter.

(c) Any representative, agent or employee of (a) the ILA, (b) its affiliated Locals, (c) any employee bene-

fits funds providing benefits under this Agreement, or any company supervisor or executive employing employees covered by this Agreement, who has served at least 700 hours under collective bargaining agreements in the year preceding his assumption of such position, shall be given pro-rata credit for service as such union representative, agent or employee, or company official toward the computation of the qualifying 700 hours, provided he becomes covered by this agreement within a reasonable period thereafter.

4. In computing such guarantee the following shall apply:

(a) Gross earnings received during the guarantee period shall be deducted from guaranteed income. In addition, payments made to an employee for vacations, holidays and unemployment compensation shall be deducted. In computing gross earnings, all hours worked shall be computed at applicable straight-time rates.

(b) For each work period a man fails to report for work when ordered out for work, the equivalent of 8 hours at the then applicable straight-time hourly rate shall be deducted, except in cases when the work for which he was ordered out was for 4 hours' duration, in which case only 4 hours shall be deducted.

(c) In the absence of advance orders, if a man fails to make himself available for work in the section in which he is registered Monday through Friday, except for holidays, at 7:55 A.M., or fails to accept such work for which he is qualified, as is offered on a port-wide basis, there shall be deducted 8 hours. The standards and criteria of the term "for which he is

qualified" shall be establisehd under the procedures set forth in Part XV, below.

(d) Where a man reports for work for the initial period as ordered and fails to return to work as re-ordered for the following period, there shall be deducted 4 hours.

5. Any individual who continuously fails to make himself available for employment in violation of the standards established under the procedures of Part XV, below, shall be disqualified from receiving any further income guarantee during the life of this agreement.

6. Payments received under the guarantee shall be included in determining vacation, holiday, pension, welfare and clinical services eligibility.

* * *

PART VIII—Discrimination, Interpretations, Customs and Practices, etc.

3. Customs and Practices in effect on December 28, 1954, shall remain in effect, except as provided in Part X 4-A-6, herein.

PART IX—Hiring Practices and Procedures

Hiring practices and procedures shall be those set forth in Annex "A", attached hereto and made part hereof.

PART X—Size of Gangs and Working Rules

1. (a) Minimum number of men in gang when loading or discharging general cargo shall be 20 men, not less than 8 holdmen and the balance of the gang to be distributed

between the hold, deck and dock at the discretion of the employer. This distribution of men shall in no way affect the provisions of sub-division (b) of this Clause.

* * *

3. Effective April 1, 1966, two (2) men shall be eliminated from the general cargo gang. Effective October 1, 1967, one (1) additional man shall be eliminated from the general cargo gang.

4. ADJUSTMENTS IN MANPOWER AND FLEXIBILITY IN THE ASSIGNMENT OF MEN AND THE USE OF EQUIPMENT:

A. Notwithstanding any provision in the existing agreement, the following elements of flexibility in the assignment of men and the use of equipment shall be introduced on a portwide basis effective April 1, 1966:

1. Employers shall be required to hire only the number of clerks, checkers, other crafts and terminal labor as may be necessary to perform the work. Frozen details as now constituted shall be eliminated.
Implementation of the above provision is subject to the following:

   (a) Detail men (clerks, checkers and terminal labor only) will be continued to be employed when, in the judgment of the employer, the detail for which they are normally engaged is active. Such detail men, when ordered in, shall be assignable, at the discretion of the employer, to any other productive work within their craft jurisdiction as defined in Part I—Preamble—of the applicable agreements.

   (b) Clerks hired during the regular work period to perform office work shall not be transferred to other duties on the dock during that period.

Respondents' Exhibit "R-20".

(c) Hatch checking presently in effect shall continue until such time as 250 regular men (clerks and checkers possessing or entitled to valid A, B, C, D or E seniority cards on the effective date of this agreement) have died, retired or become permanently separated from the industry in the Port of New York. When attrition of clerks and checkers has reached this figure (but not before April 1, 1966), all employers, who so desire, may eliminate such hatch checking as deemed unnecessary.

2. Management shall have the right to distribute the members of the gang to any assignment within the gang which they are qualified to perform. Where the practice now exists to distribute the members of the gang to any assignment within the gang which they are qualified to perform, such practice shall continue notwithstanding the provisions of paragraph 6 below.

3. Extra men that may be added to a gang may be transferred from gang to gang as needed.

4. Gangs may be transferred from hatch to hatch and from ship to ship within the same terminal provided such transfer does not cause displacement of another gang.

5. Flexibility shall not extend to the interchange of gang and terminal assignments.

6. Existing customs or practices shall be continued except under the following conditions:

(a) Where they are contrary to specific changes set forth above in Part X, 4 (A).

(b) Where they are contrary to specific provisions of the contract.

Respondents' Exhibit "R-20".

(c) Where the working conditions and circumstances out of which the customs or practices arose are changed or eliminated.

B. Implementation of the changes set forth above in Part X 4 (A) will be subject to the existing contract test of safety and health as well as reasonable standards of workload upon one or more employees. The parties agree promptly to resolve issues involving the application of these standards under the provisions contained in Part XV, below.

PART XI—Grievance Machinery

1. (a) Any grievance, dispute, complaint or claim arising out of or relating to this agreement, including all matters herein which expressly provide that they shall be dealt with in accordance with this Part, and including any dispute relating to the institution of new types of operation or changes in existing operations, or the application of Part VIII, Clause 3 of this agreement, shall be handled and disposed of in the manner hereinafter provided, and all of the parties hereto agree to abide by any decisions made in accordance therewith.

(b) THE FIRST STEP. When a grievance or dispute occurs, either the Management Representative (Stevedore, Pier Superintendent or appropriate designate of the Employer) or Union Shop Steward shall immediately call the problem to the attention of the other party. Meanwhile work shall continue. Each party shall use good judgment and make every effort to arrive at a settlement consistent with the contract. Should there fail to be agreement at this level, it shall be the obligation of both parties to immediately call for an ILA Delegate, the ILA grievance adjuster, and the NYSA grievance adjuster to come at

once to the point where the dispute takes place. For the purpose of settling disputes promptly each party to this agreement shall name a paid, full-time grievance adjuster.

Should there be agreement between those involved in the First Step, the agreement reached shall be reported to the Labor Relations Committee (referred to in the Third Step) for its information. In the event the grievance or dispute relates to the interpretation or application of any provision of the contract, the agreement reached shall be subject to review and revision by the LRC to assure its conformance with the provisions of the contract involved; such review shall not include a reconsideration of the facts as established in connection with the agreement reached. In the event the LRC determines that the agreement reached relates to the interpretation or application of a provision of the contract, they may either affirm or revise the agreement reached or either party may submit the matter to arbitration.

(c) The Second Step. Should the ILA Delegate and the two grievance adjusters agree, the same procedure will be followed as in the First Step with the following exceptions: (1) All agreements reached at this step as to rates of pay on dirty cargo shall be binding and not subject to review but shall be reported to the LRC, and (2) Where an agreement cannot be reached, and where, in the opinion of the Delegate and the two grievance adjusters, the disagreement is of such a nature as to seriously impair good relations, either side may ask for immediate arbitration obtaining only the concurrence of the Chairman of their side of the LRC. Should arbitration not be required, but the matter be one which may be resolved by further discussions but cannot be agreed upon by the Delegate and the two grievance adjusters, such matter will be referred to the LRC.

Respondents' Exhibit "R-20".

(d) THE THIRD STEP. There shall be established a Joint Labor Relations Committee consisting of not more than five representatives of the Employers and not more than five representatives of the Union. The LRC shall meet weekly on a stated day and at a stated time and shall be in general charge of the Grievance Machinery and the day to day relations between the ILA and the NYSA. This Committee shall not only discuss and dispose of, on the basis of merit, all disputes referred to them, but shall have the power and authority, in the event of final disagreement and upon motion of either side, to refer any and all matters under disagreement to arbitration and arbitration shall be obligatory upon both the ILA and its Locals and the members of the NYSA.

The LRC shall have the authority to generally review the relations between the parties and to make suggestions and recommendations for bettering such relations. The Committee shall also have the authority to recommend changes for next contract opening which are in the interest of clarity, better operations and production. The Committee shall also use its best efforts to prevent, wherever possible, disputes arising and shall exert every effort toward fair, equitable and reasonable relations.

(e) THE FOURTH STEP. The Arbitrator shall be selected by the parties. Should the parties fail to agree upon an Arbitrator within fifteen days after the consummation of this agreement or such further time as shall mutually be agreed to, either side may request the Federal Mediation and Conciliation Service to submit a Panel of seven (7) names. Each side shall have the right to excuse three (3) of the names submitted and if one name remains, he shall be the Arbitrator. If more than one name remains, then the Director of the Federal Mediation and Conciliation Service shall select the Arbitrator from the remaining names. The Arbitrator shall function in that capacity for

a minimum of one year. At the end of one year from the date of his selection, either side shall have the right to ask that the person so named be excused; and in that event a new Arbitrator shall be selected through the process above referred to. The Arbitrator selected at the end of such one-year period, whether he be the same person as was originally chosen or a new Arbitrator, shall serve out the remainder of the contract.

(f) Powers of the Arbitrator:

(i) The Arbitrator shall be called upon only as heretofore outlined.

(ii) He shall adjudicate all matters before him on the basis of fact and customs and practices in effect, but shall at no time consider bona fide, a custom or practice which is instituted through job action, quicky or other unilateral action after the execution of the agreement, or which is in conflict with the contract.

(iii) He shall be empowered to render any decision he may deem appropriate on any matter before him which decision shall be final and binding on both parties. Such decision must be issued within thirty (30) days after the completion of each arbitration proceeding unless both parties agree in writing to an extension of such time.

(g) Payment of Expenses and as Financial Requirements. The parties shall bear equally the expenses of the arbitration procedure and of all other agreed upon expenses incurred in connection with the administration of the Plan.

PART XII—Containers and Mechanized Operations

1. Container Ships, Full or Partial: The gang shall be as provided for above.

Respondents' Exhibit "R-20".

2. Containers—Dravo Size or Larger:

(a) Any employer shall have the right to use any and all type of containers without restriction or stripping by the union.

[*Note:* The Memorandum of Settlement dated December 3, 1959, provided in paragraph 8 (b) as follows:

"(b) The parties shall negotiate for two weeks after the ratification of this agreement, and if no agreement is reached, shall submit to arbitration in the manner described in paragraph 13 below, the question of what should be paid on containers which are loaded or unloaded away from the pier by non-ILA labor, such submission to be within 30 days thereafter."

For the full text of the arbitration award made pursuant to this provision, see Annex "C".]

(b) Any work performed in connection with the loading and discharging of containers for employer members of the NYSA which is performed in the Port of Greater New York whether on piers or terminals controlled by them, or whether through direct contracting out, shall be performed by ILA labor, at Longshore rates.

3. The allowance per gross ton of sugar discharged shall be as negotiated by the parties within two weeks after December 3, 1959, to be effective upon ratification.

4. Such amounts as may be paid as a result of the above allowances on containers or bulk sugar ship operation shall be contributed into a Fund to be administered by the NYSA and ILA. The parties shall negotiate for six months the use of those funds, and if agreement is not reached regarding the disposition to be made of those

Respondents' Exhibit "R-20".

funds, the question of how those funds shall be distributed or used shall be submitted to arbitration in the manner described in paragraph 6 below.

5. With respect to all operations, new and old, covered by the scope of this agreement which are performed during the term of said agreement and are not specified above, the provisions of the agreement shall govern and those provisions may not be modified or varied by any arbitrator or otherwise.

6. In the event that arbitration is required with respect to the issues described in paragraph "4", above, the two parties shall designate an arbitrator from each side, who in turn shall designate the third or impartial arbitrator. In the event that the two party arbitrators cannot agree within forty-eight hours, the impartial arbitrator shall be selected as follows:

Either party will have the right to request a list of five names of arbitrators to be submitted to the parties by the Director of Federal Mediation and Conciliation Service. If within 48 hours after receipt of such a list from the said Director the parties are unable to agree upon an arbitrator, each of them shall, within 48 hours after such disagreement, cross off from the list not more than 2 names, if any, objected to and number the remaining names, indicating the order of preference and return the list to the Director. From among the persons whose names have not been crossed off, the Director shall then appoint the arbitrator, taking into consideration the order of mutual preference, if any. If the person selected by the parties or appointed by the Director declines or is unable to serve or if for any reason the appointment cannot be made from the submitted list, the Director shall designate the arbitrator.

Respondents' Exhibit "R-20".

Any and all decisions or awards of the Arbitrators appointed hereunder shall be in writing and shall be final and binding upon all of the parties hereto and their members.

The union will not resort to a strike, work stoppage or picketing, and the employers will not resort to a lockout, at any time during the period of the negotiations previously referred to nor during the continuance of any of the proceedings provided for herein or related to this matter nor by reason of the award of the Arbitrators.

Nothing contained in this agreement shall be or be construed to constitute a limitation on the rights of either party to take any and all measures to validate the Arbitrators' award and to make such award legally effective or to invalidate.

The expenses of the arbitration proceedings and the compensation of the Arbitrators shall be borne equally by the parties.

* * *

Respondents' Exhibit "R-21".

FEDERAL MARITIME COMMISSION

Docket No. 73-17

In the Matter of:

SEA-LAND SERVICE, INC., and GULF PUERTO RICO LINES, INC.

Proposed Rules on Containers

Deposition of: ERNESTO J. SANJURJO

Place: Washington, D.C. Pages: 1 thru 111

Date: June 25, 1973 Volume 1

SEA-LAND SERVICE, INC., and GULF PUERTO RICO LINES, INC.

Proposed Rules on Containers

Room 1211
Federal Maritime Commission
1405 Eye Street
Washington, D. C.

Monday, June 25, 1973

Deposition of ERNESTO J. SANJURJO, in the above-entitled action, at the above address, pursuant to notice, beginning at 1:00 o'clock, p.m., before RUTH BURROUGHS, Notary Public, District of Columbia, when were present on behalf of the parties:

* * *

Respondents' Exhibit "R-21".

Whereupon,

ERNESTO J. SANJURJO

was called for examination by counsel for the Federal Maritime Commission, and having been first duly sworn by the notary public, was examined and testified as follows:

* * *

Q. Mr. Sanjurjo, do you appear pursuant to a subpoena served upon you June 5, 1973? A. Yes, sir.

Q. Would you state your present position, please? A. I am a Vice President of Twin Express Incorporated, based in New York.

Q. And how long have you been in that position? A. Roughly about three years.

* * *

Q. In other words, you have a roster of employees that you use, that you use, you may use some on one day, some more on another day, but usually it is the same people that are working for you, but not regularly? A. Since they are mostly specialized workers, we very seldom lay off these people. It makes the difference whether it is the busy season or the slow season.

Q. What do you mean by specialized? A. In knowing the freight, knowing how to load the trailers.

Q. What experience do they need? A. What experience do they need to load the trailers?

Q. Yes. A. Well, they have to know the customers and they have to know how to load the trailers, because I think that since we ship—and the space is very important for us—you have to know exactly how to load a trailer, not to load heavy freight on top of very light freight, because you can damage it.

Q. You mean each of your employees know your customers, every one of your employees? A. Well, they don't

know them personally. They know the names by the type of delivery. They know the needs of the customers.

Q. Do you have supervisors? A. On the platform?

Q. On the platform. A. Yes.

Q. Aren't the supervisors the people who actually advise your regular employees how to load your trailer, or is it just a matter of a regular employee picking up a crate and knowing where to— A. Usually the superviser, what they are doing—this is a small operation, talking about a few men, working for a number of years, they know more or less what they have to do in most of the cases.

Q. If I came down to your plant and sought a job tomorrow, you wouldn't hire me because I didn't have special training to load the truck? A. Well, I teil you what, if I have somebody that has the experience in this seniority list, I don't see how I can hire you, because unless I can offer you a job whenever it is needed, you have to work according to the seniority list.

Q. I appreciate that. But do I need any special training before I can apply for a job with you? A. We are not talking about a super complicated—if you work for a few months loading trailers, I think that is all you need.

* * *

Q. Mr. Sanjurjo, what kind of service does your company as NVOCC provide a shipper? A. Well, as NVO or freight consolidator, we provide our shipper with a different type of paper work, like preparing the bank draft, c.o.d.'s, prepaid shipments, collect shipments, advancing inland freight charges and protecting discharges for the different carriers, door-to-door delivery, credit on collect shipments.

* * *

Respondents' Exhibit "R-23".

NEW YORK SHIPPING ASSOCIATION, INC.

80 Broad Street New York 4, N.Y. WHitehall 3-2740

June 26, 1970

Mr. M. R. McEvoy
Sea-Land Service, Inc.
P.O. Box 1050
Elizabeth, New Jersey 07105

Dear Mike:

Today the ILA has requested, through Mr. Raymond Connors, that the NYSA-ILA Container Committee assess liquidated damages of one thousand dollars each against eight containers, five of which are Sea-Land containers (see list below).

# of containers	*Stuffed or stripped at-*	*Date*
30127	Twin Express,	6/26/70
34558	Charles St.,	
53331	Manhattan.	
57409	"	
60874	"	

The Union contends that these containers were stuffed or stripped at Twin Express, Charles St., Manhattan, on June 26, 1970, and that your Company has violated the Container Rules by permitting these containers to be stuffed or stripped at this location.

All records you have in regard to the above containers can be made available to the Container Committee so that they can adjudicate the matter.

Very truly yours,

T. F. CHRISTOPHER

TFC/tm
cc: Mr. J. Hayes
Mr. T. W. English

bc: Mr. A. P. Chopin

Respondents' Exhibit "R-24".

NYSA-ILA
CONTRACT BOARD

sitting as
NYSA-ILA CONTAINER COMMITTEE
Pursuant to Rules on Containers 3-(g)

80 Broad Street
New York, N. Y. 10007
17 Battery Place
New York, N. Y. 10004

MINUTES of a REGULAR MEETING of the NYSA-ILA CONTRACT BOARD (NYSA-ILA Container Committee), held in the offices of the New York Shipping Association, Inc., on FRIDAY, AUGUST 28, 1970, at 10:30 A.M.

BOARD MEMBERS PRESENT

N.Y.S.A.	*I.L.A.*
Messrs. A. P. Chopin, Chairman	Messrs. *T. W. Gleason, Sr.)Co-
J. J. Dickman	)Chairmen
M. R. McEvoy	J. Bowers
*D. J. Schmidt	W. P. Lynch
D. J. Talbot	*W. Murphy
	A. M. Scotto
*(not present)	*(not present)

Others Present:

C. P. Lambos, Esq. Co-Counsel	T. W. Gleason, Jr., Esq. Co-Counsel
T. F. Christopher	W. L. Sullivan
	R. W. Connors

MR. A. P. CHOPIN, in the Chair

Respondents' Exhibit "R-24".

The Nineteenth Meeting convened at 10:30 A.M.

Min. 163: After discussion, upon motion duly made, seconded and unanimously carried, it was agreed that the draft of Minutes of the NYSA-ILA Contract Board (NYSA-ILA Container Committee) Meetings held on May 19, May 27, June 19 and June 24, 1970, be approved and adopted in their entirety.

Min. 164: The Board agreed to hold meetings on the Second and Fourth Wednesday of each month, in accordance with their previous agreement, and requested the secretary to send out the agenda at least one day before the scheduled meeting.

Min. 165: The Board unanimously ratified procedures adopted in "Memorandum—Cooper Hiring Agreement", dated August 13, 1970 (Copy attached to Original Minutes).

Min. 166: Contents of telegram from the Waterfront Commission, dated August 12, 1970, concerning consolidation of Hiring Centers was noted, but action was deferred pending the return of Captain Haynes from vacation.

Min. 167: The Board ruled that employees whose registration was suspended by the Waterfront Commission and who were subsequently reinstated without conviction and whose registration is restored, would be debited a single debit (8 hours) for each day through their period of suspension, rather than multiple debits.

> At this point, the NYSA-ILA Contract Board was called to order as the NYSA-ILA Container Committee pursuant to the provision of "Rules on Containers 3-(g)"

Min. 168: A very lengthy discussion was held with respect to enforcement of the container rules. NYSA's Chairman reported on the steps taken by NYSA to enforce the rules and further stated that the major part of

the problem has been resolved with the withdrawal of concurrences by NYSA's members. He also reported that NYSA is auditing its member carriers in accordance with Minute 157.

There were read into the record letters dated August 25, 1970, received from Penn Container, Inc. and United Cargo Corporation. Also, exchange of correspondence with the Australian Consulate-General, dated July 8 and 15, 1970, copies of which had been forwarded to the ILA. (Copies attached to Original Minutes).

The Committee considered contents of above letters. Also, whether the following factual situations performed within fifty miles of the Port of New York violated the Rules on Containers:

1. A consolidation station at a pier, (which is operated for the account of a single carrier) manned by deepsea ILA labor, where no ships are loaded or discharged, and where LTL containers with LTL or full consolidated container loads are delivered to or from various carriers. (United Cargo; Penn Container).

2. Operation by a member carrier of a consolidation station several miles from a waterfront facility, pier or dock, where the loading and stripping of LTL or full consolidated container loads is performed by ILA deepsea labor working under the terms of the General Cargo Agreement. (Seatrain, Secaucus).

3. Consolidation by a single owner, including a foreign governmental agency, of various commodities in containers at a trucking station or consolidation station, at a location away from a waterfront facility, pier or dock, where the stuffing or stripping of containers is not performed by the employees of the owner of the cargo. (Australian Government).

Respondents' Exhibit "R-24".

The Container Committee determined that each of the above situations was in violation of the Rules on Containers and its resolution of June 24, 1970, as contained in NYSA Report No. 2839, which provides as follows:

> "All containers, containing LTL or full consolidated loads destined for the Port of New York area, as defined by the 'Rules on Containers', are to be stuffed or stripped on piers or docks, without *any* exception."

Mr. McEvoy abstained from voting on Item No. 2 above.

The secretary was directed to advise the various interested parties of the action of the Committee.

Min. 169: The Committee considered contents of letter from Barber Lines, dated August 27, 1970 and ruled that the containers described therein constituted Rule 1 containers, which must be stuffed and stripped by ILA labor, at a waterfront facility, pier or dock.

Min. 170: The ILA requested that the Container Committee assess liquidated damages of $1,000 each, against the following 8 containers, charging that the steamship carrier violated the container rules by permitting these containers to be stuffed or stripped at locations, which the union claims to be consolidators:

Steamship Co.	*No. of Containers*	*Stuffed or Stripped At-*	*Date*
Sea-Land Service	30127 34558 53331 57409 60874	Twin Express Charles St., Manhattan " "	6/26/70
U. S. Lines (40′ container)	400-499-8	Independent Whse & Trucking DeBrosses St., Manhattan	6/26/70
Moore-McCormack Lines (20′ containers)	MMLU 26764 267398	Amadel Whse & Trucking, DeBrosses St., Manhattan	6/26/70

Respondents' Exhibit "R-24".

The Committee then considered the facts with respect to each of the above mentioned containers. It appeared that further information was required with respect to certain of these containers.

NYSA contended that none of the above containers were in violation of the Container Rules, while the ILA took the contrary position.

Action on this matter was tabled and the NYSA-ILA Container Fund investigator would obtain further information for consideration of the Committee.

Min. 171: The ILA requested that the Container Committee assess liquidated damages of $1,000 each against 14 containers, charging that the steamship carriers violated the container rules by permitting these containers to be stripped at locations which the Union claims to be distributors.

The 14 containers involved belong to the Mitsui Lines and the United Philippine Lines. These containers contain a full load of china and aluminum ware, consigned to one beneficial owner, to be warehoused until sold. All normal warehouse charges are paid by the beneficial owner. At the present time, most of the cargo is still in the warehouse after some 60 days.

After much discussion, the matter was tabled to a further meeting.

It was agreed that many of the cases brought before the Committee required a resolution of the warehouse problem, as to which the Committee is not in agreement.

Min. 172: June 26, 1970 request for interpretation of the "Container Rules from the Baltimore Joint Container Committee was tabled pending investigation of the facts by the ILA.

There being no further business, upon motion duly made, seconded and carried, the meeting was adjourned at 1:00 P.M.

By Direction of the Board

Respondents' Exhibit "R-25".

MEMORANDUM TO: The Labor Policy Committee
FROM: T. F. Christopher and R. C. Williams
SUBJECT: *NYSA Staff Container Audits.*

To date, the NYSA Staff has completed spot audits of the following companies:

Company	*# inbound containers*	*Stripped by ILA*	*# outbound containers*	*Stuffed by ILA*	*Total Cont. this voyage*	*Total S/S by ILA*	*% handled by ILA*	
A.C.L.	320	69	197	48	517	117	22.6%	
Dart Line	138	40	127	63	265	103	38.1%	
U.S. Lines	368	44	397	118	765	162	21.2%	
A.E.I.L.	255	47	152	35	407	82	20.1%	
Mitsui O.S.K. Line	66	15	28	8	94	23	24.5%	
Columbus Line	123	23	91	45	214	68	31.7%	
Sea-Land	291	32	131	3	422	35	8.3%	Trans.
Sea-Land	151	17	368	92	519	109	21.0%	Puerto
Farrell Lines	67	32	112	63	179	95	53.1%	
Hapag Lloyd	371	141	219	123	590	264	44.7%	
Am. Israeli	182	0	49	43	231	43	18.6%	
Prud.— Grace Line	147	133	144	99	291	232	79.7%	Including Coffee
Hellenic Lines	0	0	6	5	6	5	83.3%	

The above listings add up to the following totals:

Total inbound containers	2479	
Total inbound containers stripped by ILA	593	= 23.8%
Total outbound containers	2021	
Total outbound containers stuffed by ILA	745	= 36.8%
Total containers for voyages audited	4500	
Total containers for voyages handled by ILA	1338	= 29.7%

At this time three additional companies are in the process of assembling all the necessary documents and will be audited in the near future.

The following movements of containers appear to be questionable or violations of the Container Rules of the Contract.

Twelve containers were delivered to and received from, Puerto Rican Express, Twin Express and Transloric Trucking Co. These containers appeared to be full con-

solidated loads. Documentation on these containers showed the manifests, which are made out by ILA clerks, revealed new seal numbers and the checker's initials certifying that the company had used ILA labor in accordance with the container rule. Since no "house to house" container documents are initialed by an ILA checker, we have to assume that these seventeen containers were handled in accordance with the container rules.

One container delivered by Custom Haulage from Maspeth, L.I., contained three shipments from two shippers to two beneficial owners. This container appears to be a consolidated full load moving house to house.

One container, International General Electric to beneficial owner, International General Electric, from Sea Freight, Jersey City, New Jersey. In light of past rulings of the NYSA-ILA Container Committee concerning movements of I.G.E. to I.G.E. via Rentar, this appears to be a violation.

Seven containers were consigned to May Co., the beneficial owner, they were trucked to Windsor Warehouse, Jersey City, New Jersey. In light of the NYSA-ILA container committee's rulings (re Macy to Macy, via Surtag), the movement of these containers on a house to house basis could possibly be a violation of the rules on containers.

Respectfully,

T. F. Christopher

R. C. Williams

Respondents' Exhibit "R-26".

July 27, 1972

MEMORANDUM TO: J. J. Dickman

FROM: T. F. Christopher and R. C. Williams

SUBJECT: Consolidation and Distribution Installations in the Port Area.

In a continuing observation of possible container consolidation and distribution installations, the following list of containers were seen being worked at the listed places, on July 27, 1972:

Westside Warehouses 418 Washington St., N.Y.C. and 42 Greenwich St., N.Y.C.	U.S. Lines	—	#417 876 8
	"	—	412 565 0
	"	—	417 664 1
Alro Forwarding Co. 49 Vestry St., N.Y.C.	Sea-Land	—	46921
Hemmingway Trucking Co. West St., N.Y.C.	Sea-Land	—	SEAU 68978
	Belgian Line	—	CMBU 4226933
Fast Freight Co. 151 Charles St., N.Y.C.	Sea-Land	—	62212
	"	—	37252
	"	—	SEAU 65943
	"	—	71057
	Transamerican Trailer Trans.	—	TTT 790494
Krsanac & Levy, Inc. 37 Vestry St., N.Y.C.	Sea-Land	—	62476
Inland Consolidator 445 Washington St., N.Y.C.	Seatrain	—	115448

The steamship companies and member stevedoring companies are being contacted, to get documentation on the above listed containers, to ascertain the type of movement of each.

Respectfully,

T. F. Christopher
R. C. Williams

cc: C. Peter Lambos, Esq.

Respondents' Exhibit "R-26".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	U.S. Lines 4178768 4125650 4176641	Westside Warehouses 418 Washington St. 42 Greenwich St. NYC	Kjeldsen Denmark	Dutchocs International 90 W. Broadway N.Y.C.	3 containers Each container 1160 ctns cookies	Inward	
7/27/72	Sea-Land 46921	Alro Forwarding Co., 49 Vestry St. N.Y.C.	Blate Garment Factory Ltd. Kui Hing Trading Co. Andrew C. Xavier	Savoya Bros. 34 W. 33rd St. N.Y.C. Florabelle Flower Corp. Jersey City N.J. Fashyon Barn Inc. Bayside, N.Y.	125 Ctns. Polyester/ cotton goods 90 ctns toys 9 ctns ladies knit suits	Inward	
7/27/72	Sea-Land 68978	Hemmingway Tkg. Co. West St., N.Y.C.	A. G. Valcke Lyon	United Merchants N.Y.C.	225 ctns ready made articles	Inward	
7/27/72	Dart Line Belgian 4226933	Hemmingway Tkg. Co. West St., N.Y.C.	H. Hoogewerff Rotterdam	United Merchants Mfg. Inc. 1407 Broadway NYC	427 Pkgs. Fabrics	Inward	Various marks of B/L rider designates divisions of United Merchants as per letter and annual report.
7/27/72	Sea-Land 62212	Fast Freight Co. 151 Charles St. NYC	Sonatran Le Havre	World Trade Customs Broker 27 Park Pl. NYC	1 container garret equip. 161 colis	Inward	
7/27/72	Sea-Land 65943	Fast Freight Co. 151 Charles St. NY	Olivetti	Olivetti Corp. of America, N.Y.	820 ctns typewriters	Inward	
7/27/72	Sea-Land 71057	Fast Freight Co. 151 Charles St. NY	Tiber/Mosengen	H.Z. Bernstein Co. 1 Wrld. Trade Cntr N.Y.C.	330 Ctns Mens and Womens leather shoes	Inward	

Respondents' Exhibit "R-26".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	Seatrain 115448	Inland Consolidator 445 Washington St. N.Y.C.	John D[illegible] & Sons Ltd.	Eastern Liquor Corp. North Haven, Conn.	1 container Scotch whisky	Inward	
7/27/72	Sea-Land 62476	Krsanac & Levy Inc 37 Vestry St. NYC	Errine Freight Fwd. Co. 170 Broadway NYC	Errine Freight Fwd. Co. 170 Broadway NYC	30 Rolls cloth	Inward	
			Sun Chemical Corp. C/O Republic Co. 50 W. B'way NYC	Sun Chemical Corp. c/o Republic Co. 50 W. B'way NYC	1 Roll cloth		
			Alearco Int'l (P.R.) Inc. San Juan, P.R.	Area Forwarding Co. 50 Vestry St. NYC	5 ctns piece goods		
			Surgical Appliances	Medisco 320 Broadway	4 ctns surgical appliances		
			Caguas, P.R. Sra. Ana Quirones Santurce, P.R.	N.Y.C. Sra. Ana Quirones, N.Y.	1 case tools 14 ctns H/H goods and personal effects 1 loose bar		
			Tony Russo Piedras, P.R.	Atlantic Service Co. Brooklyn, N.Y.	5 ctns saw blades		

Respondents' Exhibit "R-26".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
			La Boutique De Virginia San Juan, P.R.	. Lamp Co. Empire Blvd. Brooklyn, N.Y.	ctns tables and lamps	Outward	Attached to the B/L is a sheet signed by an ILA checker noting that container was stripped & restuffed at Pier 13, Staten Island.
7/27/72	TTT 790494	Fast Freight 151 Charles St. N.Y.C.	Twin Express 151 Charles St. N.Y.C.	Twin Express San Juan, P.R.	Freight of all kinds		

Respondents' Exhibit "R-27".

September 18, 1972

The following containers were observed backed into platforms at facilities in the Port, away from the waterfront:

Container	*Owner*	*Installation*	*Date Observed*
STLU 310168	Seatrain	Seatrain, Secaucus	9-18-72
ACL 201722	Atlantic Cont. Line	Rapid Distributing Corp. 330 Manhattan Ave. Jersey City, N.J.	9-18-72
OOLU-464408-2 OOLU-462016-2	Overseas Orient Line	Bergen Norfolk Dist. Terminals, Inc. Castle Road Secaucus, N.J.	9-18-72 "
35577	Sea-Land	Transloric	9-18-72
48921	"	Trucking Co.	"
59880	"	720 Tonnelle Ave.	"
40308	"	Jersey City, N.J.	"
STLU 112550	Seatrain	"	"
STLU 132601	"	"	"
STLU 126302	"	"	"
STLU 126128	"	"	"
HANU 4913287	Atlantica Line	"	"
59931	Sea-Land	Puerto Rican Fwdg.	9-18-72
55625	Sea-Land	2121 91 Street	"
MEYU 200384	Meyer Line	No. Bergen, N.J.	"
MEYU 200592	Meyer Line	"	"
MEYU 200417	Meyer Line	"	"
USLU 4115760	U.S. Line	Westside Warehousing Corp. Washington St., NYC	9-18-72
USLU 4173220	U.S. Line	Westside Warehousing Corp.	9-18-72
STLU 119344	Seatrain	330 West St., N.Y.C.	"
RTTZ 790300	TransAmerican Trailer Transport	"	"
65388	Sea-Land	Fast Freight	"
RTTZ 790578	TransAmerican	151 Charles St., NYC	"
RTTZ 790464	Trailer Transport	"	"
RTTZ 790106	"	"	"

ip Co. ner & nent	*Observed at non-waterfront platform & Date*	*Shipper*	*Consignee & Marks*	*Commodity*	*Documentation and Remarks*
rseas Line 408-2 016-2	Bergen-Norfolk Dist. Terminals, Inc. 1000 Castle Rd. Secaucus, N.J. 9-18-72	Yung-Hwa Wood Mfg. Co., Ltd. Taiwan	Lloyds-Electronics Inc. Paterson, N.J. and Compion, California Mark: LLOYD'S L.E.I. W-633 Speaker Boxes 8-2 F-754 New York	Speaker boxes and speaker units	Bill of Lading #TKNY-79 Letter of explanation
ican Trailer Co. 578 464 106 1	Twin Express 151 Charles St. N.Y.C. 9-18-72	Twin Express 151 Charles St. N.Y.C.	Twin Express San Juan, Puerto Rico Various Marks	3 containers Freight of all kinds	Bills of Lading #8660-8661-8668 ILA checker's tally, stating that container stripped and restuffed in same box
tes Line 5335	Walker Butter & Egg Co., Inc. 20 Harrison St. N.Y.C. 10-5-72	Cornelis Noordhoek Bolegraven The Netherlands	Walker Butter & Egg Co., Inc. 20 Harrison St. N.Y.C. Mark: Walker New York #1/1558	1 container 1558 ctns Holland Cheese	Invoice, Pencil Copy of U.S. Customs list of licensed importers B/L 110-4030 Harrison St. location visited at time of container unstuffing by T.F.C. and R. Connors. All cartons stowed in Walker's own reefer whse. (see memo)
tes Line 0088	Northfield Cheese Co. 108-116 Sylvan Ave. Newark, N.J. 10-9-72	Agence Maritime Antwerp	*Notify Party* Messrs. William Faehnrich, Inc. 11 Harrison St. N.Y.C.	1 container 384 cartons Cheese	B/L 2701—copy of U.S. Custom list of licensed importers. This location visited by T.F. Christopher—all cartons stowed in consignee's reefer mfr. plant. Northfield arranged entire importation of cheese. Due to government quota reported as follows: 181 ctns on their own license 144 ctns on affiliate license (Gourmet Foods) 59 ctns on Mogelbergs license

Respondents' Exhibit "R-28".

NYSA ILA
PORT OF NEW YORK
LABOR RELATIONS COMMITTEE

80 Broad Street New York 4, N. Y. Tel: WHitehall 3-2740

November 29, 1962

Captain Michael Unger
American-Israeli Shipping Co., Inc.
42 Broadway
New York 4, New York

Dear Sir:

The two Labor Adjusters representing union and management met at Pier 64, North River, on Monday, November 19, 1962, on a question relating to the loading of certain containers *leased* by the American-Israeli Shipping Co., Inc. from North American Vans and assigned by American-Israeli Shipping Co., Inc. to carry air conditioners for Emkol, which is the export division of Emerson Radio.

These containers were in fact loaded only with Emerson products on a single bill of lading to their agency in Israel. However, the loading of the containers was performed at a warehouse in Brooklyn operated by the Export Packing and Shipping Corporation.

By the language of the "Memorandum of Settlement", the employer-members of the New York Shipping Association agreed with the Union that "Any work performed in connection with the loading and discharging of containers for employer members of the NYSA which is performed in the Port of Greater New York whether on pier or terminals controlled by them, or whether through direct con-

Respondents' Exhibit "R-28".

tracting out, shall be performed by ILA labor at longshore rates".

The Union agreed to certain exceptions to the above quoted clause, one of which was containers loaded *by a manufacturer* with his own goods.

Since these containers were in fact dispatched to Export Packing and Shipping Corporation on orders of the steamship lines, it is the considered opinion of the two Labor Adjusters that this is in violation of the clause quoted above regarding containers loaded in the Port of Greater New York.

Very truly yours,

/s/ S. S. Mossman
S. S. Mossman

William Carr

Respondents' Exhibit "R-29".

L.R.C. November 12, 1963

REPORT TO: THE LABOR RELATION COMMITTEE

FROM: Captain T. F. Christopher

John W. McGrath Corporation and Locals 824, 1, Pier 88, North River
The Cunard Steam-Ship Company, Ltd. and Locals 824, 1, Pier 92, North River
Universal Terminal & Stevedoring Corp. and Locals 895, 1258, 1, Pier 34 North River
Universal Terminal & Stevedoring Corp. and Locals 1814, 1, Pier 2, PA, Brooklyn
International Terminal Operating Co. and Locals 1233, 1235, 1, Shed 153, Port Newark

Complaint of the Companies that the action of the ILA in refusing to handle containers is illegal and in violation of the Contract.

Because of the basic disagreement on the above complaint, the Companies felt that pier level meetings were not necessary and the ILA Labor Adjuster, Mr. William Carr was asked on Thursday, November 7, 1963, whether the ILA would waive steps one and two of the Grievance Machinery. On being informed that the Union desired pier level meetings on each company's complaint, I stated that many containers were being held up on the above piers, and it was a matter of extreme urgency. It was therefore urged that such pier level meetings be held on Thursday afternoon or on Friday, November 7th and 8th, so that the Committee could hear the case on Tuesday, November 12, 1963.

The case was scheduled on the agenda with that hope. Late Thursday afternoon, the Union informed us that no

pier level meetings could be held until Wednesday, November 13, 1963.

The Companies objected to this delay, and in an attempt to hold pier level meetings on Friday, November 8, 1963, I went to Piers 92, 88, and 34, North River, in order to investigate the circumstances of each case. With the exception of one pier, no union representatives showed up.

The following are the circumstances of the matters in dispute:

The Cunard Steam-Ship Company, Ltd., Pier 92, North River

Five containers of auto parts:

Shipper, Anglo Overseas Transport Company.
Consignee, British American Import Company on one bill of lading.
Owner of container, United Cargo Corporation.
Each container is a shippers load to one consignee.

Two containers of fabricated auto parts:

Shipper, Hendrickson Manufacturing Company, Lyons, Illinois.
Consignee, Easton Axles, Ltd., England.
Owner of container, shipper.
Each container is a shippers load to one consignee.

John W. McGrath Corporation (French Line), Pier 88, North River

Three containers of liquors:

Shipper, R. Y. S. T.
Consignee, F. L. Cramer.
Owner of container, F. L. Cramer.
Each container is a shippers load to one consignee.

Respondents' Exhibit "R-29".

Universal Terminal & Stevedoring Corp. (Cosmopolitan Line) Pier 34, North River

13 containers of liquors:

Shipper,
Consignee, Alba Forwarding Company.
Owner of container, steamship company.
Each container is a shippers load to one consignee, to be taken to the Essenfeld Warehouse.

Five containers of furniture:

Shipper,
Consignee, United Cargo Corporation.
Owner of container, steamship company.
Each container is a shippers load to one consignee. Four are to be taken to Bloomingdale's Warehouse, one is to be taken to an A & S Stores' Warehouse.

Universal Terminal & Stevedoring Corp., Pier 2, Port Authority, Brooklyn

Ten containers of typewriters:

Shipper,
Consignee, Intercontinental Trading Corp.
Owner of container, steamship company.
Each container is a shippers load to be taken to consignee's warehouse in Brooklyn.

International Terminal Operating Co., Inc., Shed 153, Port Newark

Shipper,
Consignee,
Owner of container,

Respectfully,
T. F. CHRISTOPHER

Respondents' Exhibit "R-30".

NEW YORK SHIPPING ASSOCIATION, INC.

80 Broad Street New York 4, N.Y. WHitehall 3-2740

November 10, 1966

MEMORANDUM TO: MR. A. P. CHOPIN

FROM: Captain T. F. Christopher

SUBJECT: Containerization Dispute
Chilean Line Pier, Columbia Street, Brooklyn

The Chilean Line has furnished a rented container to a shipper. The shipper, Bolocco & Co., took the container to a warehouse and loaded television parts on one bill of lading to one consignee, themselves.

In other words, the Bolocco Company purchases television parts in this country and ships them to themselves in Chile where they assemble completed sets.

Under the Contract, this container should go through without stripping subject only to the appropriate royalty payment, since there is one shipper, one bill of lading, one consignee; in other words, a shipper's load.

The shop steward at the pier, late Wednesday afternoon, refused to let the men handle the container, contending that since it was loaded away from the pier by non-ILA labor, it had to be stripped.

I informed Captain J. Ross of the Chilean Line of our opinion, and have been trying to contact Chuck Conners so that the container can be released.

Respectfully,

T. F. CHRISTOPHER

TFC/jcb

Respondents' Exhibit "R-31".

MEMORANDUM TO: MR. A. P. CHOPIN

FROM: Captains S. S. Mossman & T. F. Christoper

SUBJECT: *ILA action on containers, pre-palletized drafts and unitized cargo*

We have received calls from the following companies re: ILA intereference with the movement of container cargo:

Norwegian-America Line, Pier 45, North River. Dave Ahearn and Chuck Conners visited the pier on February 23 without contacting the Company. Shortly thereafter, the shop steward informed the Company that the Union would insist on stripping any pre-palletized or unitized draft or any container that was loaded or to be discharged within the "50-mile radius".

Universal Terminal & Stevedoring Corp., Meyer Line (non-NYSA member), 36th Street, Brooklyn. The shop steward informed Mr. R. Martin of Universal that no container or pre-palletized draft would be delivered or received where the papers say "said to contain X number of packages". Further, the shop steward said that the Union would handle containers with one consignee if it is loaded or discharged within the "50-mile radius". In other words, they would not handle containers with more than one consignee.

Marchessini Line, Pier 5 Bush, Brooklyn. (L. Brigante) Men refuse to accept any container unless loaded or stripped at the pier. Also, they refuse to accept pre-palletized cargo, unless straps are broken and the cargo repalletized by ILA.

United States Lines Company. Checkers refused to accept containers loaded by ILA labor at United Cargo Corporation, because no ILA checkers are employed by U.C.C.

Respondents' Exhibit "R-31".

ILA checker refused to accept containers, and they were removed by U.C.C. untouched.

Cunard Line, Pier 94, North River. Container, inbound from Europe, with antiques, consigned to Leonard Galleries, New York City. ILA insists it must be stripped at the pier. The Company has refused to permit it to be touched, and is notifying the consignee of labor trouble. Contents of the container are owned by Leonard Galleries, on one bill of lading.

Zim Lines, Pier 32, North River. Dud Converse of McGrath had a visit from Dave Ahearn telling him that he has given instructions to the receiving and delivery clerks not to accept or release any containers (within "50-mile radius") unless loaded/stripped at the pier. Clerks will not let anything go forward "said to contain" because the checkers have been instructed not to sign for such dock receipts.

Zim Lines, Sheds 141-145, Port Newark. 55 containers of wine in steamship company owned containers. One bill of lading, one consignee (Carmel Wine Corp., LIC), owner of the cargo (to each container).

Holland-America Line, Pier 40, North River. Notified by ILA that container and pre-palletized cargo will not be received or delivered within "50-mile radius", must be loaded/stripped at the pier by ILA labor. Instructions issued by D. Ahearn to Pier personnel. Containers owned by steamship company, imported from Europe, one bill of lading, one consignee, Nabisco, to go to Fairlawn, New Jersey. Also, container owned by steamship company, export to Europe—one bill of lading, one consignee—Revlon—shipload.

S. S. Mossman

T. F. Christopher

Respondents' Exhibit "R-31".

80 Broad Street New York 4, N. Y. Tel: WHitehall 3-2740

March 1, 1967

Mr. R. Martin
Universal Terminal & Stevedoring Corp., 36th Street, Brooklyn

Mr. L. Brigante
P. D. Marchessini & Co., Inc., Pier 5 Bush Terminal, Brooklyn

Mr. J. Simon
United States Lines Company, Piers 60, 61, 62, North River

Mr. C. Dickson
The Cunard Steam-Ship Company, Ltd., Pier 94, North River

Mr. R. O'Neil
John W. McGrath Corporation, Pier 32, North River

Mr. J. Farrell
International Terminal Operating Co., Inc., Piers 1 and 2, Erie Basin, Pier 2 Bush Terminal, Brooklyn, and Sheds 137, 138, 140, 152, 153, 178, 179, 180, 181, Port Newark

Gentlemen:

At the regular meeting of the Joint Labor Relations Committee held at these offices on Tuesday, February 28, 1967, a case involving your companies and Local #1 at the above locations was scheduled for hearing. The case involves a complaint of your companies that employees are refusing to work as directed in violation of the Contract.

When the calendar was called, without discussion of the circumstances of the case, upon motion duly made, the

Respondents' Exhibit "R-31".

Committee unanimously ruled as follows:

"That this case be adjourned indefinitely, without prejudice."

Very truly yours,

/s/ S. S. MOSSMAN
S. S. Mossman
Secretary to the
Joint Labor Relations Committee

cc: Mr. T. W. Gleason, Mr. William Carr, Mr. D. Ahearn, Mr. J. Cicalese, Mr. W. Hanley, Mr. P. Lynch, Mr. J. McDermott, Mr. W. McNamara, Mr. F. Murphy, Mr. J. Potter, Mr. J. Ward, Mr. J. Weir

Respondents' Exhibit "R-32".

August 15, 1967

MEMORANDUM TO: Mr. A. P. Chopin

FROM: Captain T. F. Christopher

SUBJECT: Containerization Dispute
Chilean Line Pier, Columbia Street, Brooklyn

The ILA, under orders from Mr. Gleason, refused to deliver five containers of wine to San Martina Wines, Inc. in Yonkers, the consignee and owner of the cargo. The Shipper of the cargo was Vinos de Chile, South America. Each container contained 200 cases of wine.

Container 376	Bill of lading	#2	200 cases
Container 31	Bill of lading	#2	200 cases
Container 321	Bill of lading	#3	200 cases
Container 36	Bill of lading	#3	200 cases
Container 416	Bills of lading	#2	100 cases
		#3	100 cases

The company maintained that this is a shipper's load which the consignee requested to be containerized and delivered as container cargo, with the appropriate royalty payment paid by the New York Shipping Assoc. member which is in accordance with Section 8 (c) of the Memorandum of Settlement of 1959, Report No. 1697.

The ILA's argument in this case is based on the fact that any wine coming into this pier from South America in containers was stripped on the pier by ILA labor and that in accordance with the "Status Quo" agreement, this practice should continue regardless of any circumstances on this particular case.

Respondents' Exhibit "R-32".

The company maintained that in the past, while they have stripped Dravo containers of wine, it was because it was cargo that was loaded in the containers in the ship in South America, for the steam ship company's convenience and unloaded in New York for the same reason. In other cases this company has had containers go forward without stripping, with the appropriate royalty payment. In this particular case, the company maintained that this is a shippers load consigned to one consignee who is the owner of the cargo, and who requested that it be containerized and who has a right under our Contract to expect that any member of the New York Shipping Association would deliver to him said container cargo intact. Further, that the New York Shipping Association member is not contracting out this work and therefore, is obligated to deliver the container as requested.

In South America this company does not maintain its own piers. Any pier they are sent to is operated by the "Port Authority" and the few vans of containerized cargo that are loaded as such are not stripped in New York.

Subsequently, the ILA stopped two more containers consigned to one consignee and owner of the cargo-Banfi Products Corp., Manhattan. This shipment of 400 cases is in two containers as follows:

Container 158	Bill of lading	#4	200 cases
Container 309	Bill of lading	#4	200 cases

Respectfully,

T. F. CHRISTOPHER

Respondents' Exhibit "R-32".

August 16, 1967

REPORT TO: JOINT LABOR RELATIONS COMMITTEE

FROM: Captain S. S. Mossman

SUBJECT: Chilean Line and Local #1.
Complaint of the Company that they were prevented from delivering cargo to a consignee as requested by the shipper, in violation of the existing agreement.

It should be clearly understood that because of the controversial nature of the subject matter, this is an unilateral report.

The Union intends to submit their own report based on their interpretation of the subject to supplement this report.

At 9:00 a.m. on Wednesday, August 15, 1967, I met in the State Pier Foot of Columbia Street, Brooklyn with Captain Rosa and Captain L. Parisi of the Chilean Line; Messrs. Frank Mattera, Alfred Small and Bennie Terranova of Local #1814, Messrs. William Carr and Raymond Connor of the ILA and Messrs. R. Bowe, Checker Shop Steward and P. Racuglia, Longshore Shop Steward to discuss the above subject.

At this pier, Pittston Stevedoring Corp. does the work of loading and unloading the vessels, but Chilean Lines employs checkers, clerks and extra labor to handle the receiving and delivering of cargo. On approximately August 9, 1967, two separate shipments of Chilean wine were landed from the S. S. MAIPO. One of these shipments consisted of two bills of lading covering one thousand cases of wine loaded in five Dravo-size containers, by Vino de

Respondents' Exhibit "R-32".

Chile, S.A. at San Antonio, Chile, consigned to San Martino Wines Inc., Yonkers, New York. The other shipment consisted of one bill of lading covering four hundred cases of wine loaded in two containers by Vinex S.A. at San Antonio, Chile, consigned to Banfi Product Corp., in Manhattan. The Company was prevented from delivering these seven containers to the consignees of record by the Checker Shop Steward, Mr. R. Bowe.

On Thursday, August 10, 1967, and again on Friday, August 11, 1967, efforts were made by Chilean Lines and New York Shipping Assoc., including meetings at the pier between Captain Christopher, Mr. Bogart, Captain Rosa and Captain Parisi, telephonic discussions between staff of the New York Shipping Assoc., and Mr. Connors of the ILA and Mr. T. W. Gleason, President of the ILA, in an attempt to have the cargo delivered to the consignee as requested by the shipper, namely, in the vans in which it had been transported by the ocean carrier.

The Company contended that in their opinion such a shipment was very clearly one of the excepted items in the contract clause agreed to by the parties in the Memorandum of Settlement of 1959, item 8.

The Union contended that in the first place, Chilean Lines had never delivered fully loaded containers of wine to any consignee anywhere in the Metropolitan area. They also contended that these shipments, since they were consigned to a wholesaler and distributor of wine, it was a violation of the Contract clause of the Agreement of 1959, item 8, and should not be permitted to go forward as it was "direct contracting out" by the steamship company.

The Company replied to the Union's two contentions, first, that they had never before delivered full containers of wine to a consignee in New York, because it had never

Respondents' Exhibit "R-32".

been requested by the shipper or the consignee, and the wine had always been accepted and carried as break-bulk cargo stored in containers merely for the convenience of the steamship company, to save space in the vessel; and secondly, that in their opinion these containers had no more relations to "direct contracting out" then similar containers made available to Ford Motor Co. at a Ford Motor factory for the carriage of Ford Motor parts.

Because of a pressing need to service regular customers both Banfi and San Martino Wines subsequently, on Wednesday, August 16, 1967, requested the Chilean Line to "break bulk" of these containers and deliver individual cases. However, the steamship company did so under strong protest and the protest registered by this company should be made a part of the record. It should also be noted in the record that at the pier level meeting on Wednesday, August 16, 1967, Mr. William Carr, Labor Adjustor for the Union, again requested that this meeting be postponed until a later date, to permit people with policy making authority in the Union to be present.

Respectfully,

S. S. MOSSMAN

Respondents' Exhibit "R-32".

Carbon Copy from
Chilean Line, Inc., 29 Broadway
New York 6, N. Y.

August 16, 1967

Mr. Arthur Bogert
Delegate Local No. 1
International Longshoremen Association
17 Battery Place
New York, N.Y. 10004

Dear Mr. Bogert:

We are referring to a shipment of 7 containers of wine covered by B/L 2, 3 and 4 from San Antonio to New York received at our pier, Foot of Columbia Street, from the Chilean Steamer S/S MAIPO Voy. § 10 arrived New York August 5, 1967.

Today the consignees of B/L 2, Messrs. Banfi Products Corporation, and the consignees of B/L 3 and 4, San Martina Wine, Inc., have requested that their merchandise be delivered to them even if the containers have to be opened and the contents delivered by single boxes since their business requires the merchandise on hand.

The objective of this letter is to serve you notice that we are breaking up those containers under strong protest since the attitude taken by the Union in not allowing the delivery of these 7 containers is arbitrary and in violation of the contract signed by the I.L.A. and N.Y.S.A., of which Chilean Line is a part. We would like also to keep on record that the only reason why we accepted to break up this cargo is to maintain the good will of our customers but

Respondents' Exhibit "R-32".

this attitude in no way reflects an agreement of this company to the upper handed attitude taken by the Union.

Very truly yours,

CHILEAN LINE, INC.

JORGE ROSA
Operating Manager

JR/az

cc: Mr. Robert Bowe,
Shop Steward

Mr. Philip Racuglia,
Shop Steward

N.Y. Shipping Association

Respondents' Exhibit "R-33".

May 21, 1968

MEMORANDUM

To: Mr. A. P. Chopin

FROM: Captain T. F. Christopher

SUBJECT: Containers

On Tuesday, May 21, 1968, the ILA refused to handle a 20 ft. Chilean Line container that was loaded with 19 skids of refrigerator parts on one bill of lading. The shipper is Philco-Ford, International Division, the consignee is Sindelen, Santiago, Chile.

Since this container was stuffed at a warehouse in Port Elizabeth, operated by Rentar, who employs Johnny Boy's warehouse labor, the ILA insists on stripping this container at the pier.

Philco-Ford did not allow the container to be stripped and took it away from the pier, contending it is marked for house to house shipment.

Since Rentar is not the owner or the shipper of the cargo, under our "Yellow Paper" (see attached), we cannot disagree with the ILA, and I so informed the Chilean Line.

Respectfully,

T. F. CHRISTOPHER

TFC/tm
Attach.

Respondents' Exhibit "R-34".

REPORT TO: NYSA-ILA Contract Board

FROM: Captain S. S. Mossman and Captain T. F. Christopher

SUBJECT: *Chilean Line and Anaconda Containers*

On July 18, 1969, Captain S. S. Mossman received a telephone call from Captain J. Rosa of the Chilean Line with reference to two of their containers numbers 5010 and 20512113, that were being held up at the State Pier in Brooklyn.

Captain Rosa contended that the Anaconda Copper Company had requested these containers for the purpose of loading miscellaneous freight (see attached Bills-of-lading) purchased by Anaconda, shipped by Anaconda and consigned to Andes Copper Mining Co., which is Anaconda in Chile. The containers were picked up by "7 Santini Brothers Export Plant" which is located at 57-48 49th Street, Maspeth, New York, where they perform export packing. When Anaconda purchased the items listed on the bills-of-lading, they had them assembled by Santini Brothers Export Plant for the purpose of export packing in wooden crates and containers. The two containers were later sent to the State Pier by Santini and received there.

The Union has informed the Chilean Line that in their opinion these are consolidated containers, loaded within the 50 mile radius and therefore must be stripped and loaded by ILA labor before they can go forward.

The Chilean Line contends that while these are full container loads, they are not consolidated full container loads. All items listed on the bills-of-lading are owned by the Anaconda Copper Company, the beneficial owner. Their

understanding of the Container Clause is that a consolidated full container load is a container which holds cargo belonging to more than one beneficial owner, they therefore take exception to the Union's claim that these are "Rule 1" containers, since these rules apply only to LTL or consolidated full container loads.

The Union, however, insists that these boxes must be stripped and loaded by ILA labor at the State Pier, before ILA members will load them on the vessel.

Chilean Line anxiously awaits the decision of the Contract Board.

Respectfully,

S. S. MOSSMAN
T. F. CHRISTOPHER

TFC/tm
Attach.

Respondents' Exhibit "R-35".

Friday, *July 11, 1969*

MEMORANDUM TO: Mr. A P. Chopin

FROM: Captain S. S. Mossman

SUBJECT: Contract Board Memo. re: Collection of fine for certain containers in Port Newark, subject of complaint by Lester Gardner.

As per your memorandum submitted to the NYSA-ILA Contract Board by Mr. Gleason on July 7, 1969—first, I have several typo corrections. Lester Gardner is Delegate of Local *1233,* not 1235—and the *dates* given are incorrect —could he have intended Friday, June *27*—and Monday, July *1*?? He has obviously taken the Friday and Tuesday from the *July* calendar, not the June calendar.

1) *U. S. Lines*—Captain Smith, acting for Mr. George Mayer who is on vacation, reports that his computers can only identify *one* of the 4 numbers given in Mr. Gardner's complaint.

The computers identify that one box as being a "shipper-loaded" full container, delivered to U.S. Lines for *Rotterdam,* and loaded on board "American Legion" Friday, June 27. The computers cannot identify where the box originated, but Captain Smith will endeavor to examine the manifests and B/L's to obtain this information.

2) *Belgian Line*—Mr. Henry Dirksen says that the 3 containers mentioned in the memo are part of a shipment of 8 containers, all on one Bill-of-Lading, stripped by Intercontinental Container Transport Corp., at Shed 195 Port Newark, on behalf of the shipper.

These 8 containers are all for one shipper, one consignee —and contain one commodity, coffee. Therefore, in Mr.

Respondents' Exhibit "R-35".

Dirksen's opinion, they do *not* come under the new Containerization clause, which applies only to LTL, or Consolidated full container loads.

He also points out that, to the best of his information, ICTC employs ILA labor at *longshore* rates, and has applied both to NYSA for membership and to the Waterfront Commission for a stevedore license. ICTC has also been recognized by U.S. Customs.

3) *ACL*—Capt. Respaut says he does not become involved with containers that come from or go to a shipper/consignee directly—but will have someone from ACL in Elizabeth get in touch with me. (No word as yet.)

4) *Sealand Service*—Mr. McEvoy was not available in his office, but will call back later. He was at a meeting in New York this morning.

5) *ILA*—Raymond Connors reports that all Stevedores in Port Newark-Elizabeth are *protesting* ICTC at shed 195. He also says that, after the Contract Board meeting on Monday, July 7th, *John Leonardis* in his capacity of Vice-President for New Jersey was told by Mr. Gleason to inform *all* steamship companies in the Newark-Elizabeth area *not* to send any containers to Shed 195. As a result of this, when the Clerk *again* sent three boxes to Shed 195 on Wednesday, July 9th, ITO then fired the Chief Clerk as of yesterday.

He further reported that Mr. McEvoy of Sealand had met with Teddy Gleason this morning at 17 Battery Place, and had agreed that as far as Sealand is concerned, these boxes loaded at ICTC were in violation of the agreement. As additional information, he added that Mr. Gleason proposed to enlist 20,000 "policemen" for the Container clause, by requesting Welfare Trustees to make any *fines* available to the men at the pier or terminal where viola-

tions were discovered, such money to be divided among them annually at Christmas.

I have no report as yet on *Hapag-Lloyd* or *Meyer Line.*

Respectfully,

S. S. MOSSMAN
S. S. Mossman

Submitted by Mr. Teddy Gleason to the NYSA-ILA Contract Board at its July 7, 1969 Meeting

Mr. Lester Gardner delegate of Local #1235, Port Newark wishes to collect a fine in the amount of $250.00 for following containers because they were handled by a company called Transatlantic Cargo, Inc. of 195 Export St., Port Newark that hires warehousemen:

Friday, June 25, 1969

1—Belgian Lines	CMB 427-1769
2—Meyer Lines	200-178
3—	200-238
4—Sealand	34348
5—U. S. Lines	22-855
6—Hapag-Lloyd	420-4930
7—Belgian Lines	CMB 422-3233
8—Hapag-Lloyd	200-5369
9—U. S. Lines	22-253 7203
10—A C L	260-357
11—U. S. Lines	203-253-7

Tuesday, June 29, 1969

12—Belgian Lines	CMB 422-7190
13—U. S. Lines	22-855

Respondents' Exhibit "R-35".

July 17, 1969

MEMORANDUM TO: Captain S. S. Mossman

FROM: Captain T. F. Christopher

SUBJECT: *Contract Board Memo. re: Collection of fine for certain containers in Port Newark, subject of complaint by Lester Gardner.*

On your memorandum of Friday, July 11, 1969, item 2, *Belgian Line*—these containers were actually in-bound containers which were scheduled to be picked up by ICTC intact and discharged at their warehouse at Shed 195 to be warehoused for the beneficial owner, Greenwich Coffee Mills, 120 Wall Street, New York. To the best of my knowledge, three of the containers were handled as described above.

After Mr. Gleason said that no containers were to go to Shed 195, Belgian Line, rather than risk a fine, instructed I.T.O. to strip the remaining containers at the pier and then ICTC picked them up on flatbeds to be warehoused at Shed 195.

Meyer Lines—Two containers #200-178 and #200-238 were sent to ICTC's warehouse where they were loaded. Both containers are on one bill-of-lading. One container was shipped on June 27th to Holland and the second container was shipped on a vessel on July 3rd. The beneficial owner is . The shipper is Fabius & Company.

Hapag-Lloyd—Two containers #402-4930 and 200-5369 were sent to ICTC on June 20, 1969, loaded and returned to the pier and loaded the same day on the vessel "MOSEL" for Amsterdam, Holland. The shipper was Tapcom.

Respectfully,

T. F. CHRISTOPHER

TFC/tm

Respondents' Exhibit "R-36".

August, 1969—*Page 1*

(NYSA-ILA Container Committee)

Liquidated Damages
($250, per container)

Acctg. No.		*Containers*	*1969 Date of Letter*	*Date Check Received*
Paid	—Dart Containerline, Incorporated (Belgian Line, Inc.) (Mr. Jacques Leblanc)	427-1769 CMB 422-3233 CMB 422-7190	Aug. 7	$750— Aug. , 1969
Paid	—Dart Containerline, Incorporated c/o Belgian Line, Inc. (Mr. Jacques Leblanc)	422387 5077 CMB-4271351	Aug. 25	$750— Aug. , 1969
	* * * * * *			
Paid	—United States Lines, Inc. One Broadway New York, N. Y. 10004 (copy to Jesse Simons)	22-855 203-253-7	Aug. 7	$500— Sept. 23, 1969
	Second Page—First Page			
	United States Lines, Inc. One Broadway New York, N. Y. (copy to Jesse Simons)	2011880—2015376 23878 —FVIU 202026 2009706—ICSU 204199 2031799	Aug. 25	
	* * * * * *			
	Atlantic Container Lines, Ltd 30 Church Street New York, N. Y. 10007 (Copy to Capt. Dodds)	260-357	Aug. 7	
	* * * * * *			
Paid	—Hapag-Lloyd c/o U. S. Navigation Co., Inc. 17 Battery Place New York, N. Y. 10004 (copy to Capt. Lampe)	420-4930 200-5369	Aug. 7	$500— Aug. 20, 1969
	* * * * * *			

Respondents' Exhibit "R-36".

Paid	—Meyer Line Boyd, Weir & Sewell, Inc.— Gen. Agts. 17 Battery Place New York, N. Y. 10004	200-178 200-238		Aug. 7	$500— Sept. 10, 1969
	* * * * * *				
(not a violation)	x—Sealand Service, Inc. P. O. Box 1050 Elizabeth, New Jersey	34348	Aug. 7 Container Comm. ruled this did not constitute a violation		Aug. 25, 1969

NOVEMBER *19, 1969—Page 2*

NYSA-ILA CONTAINER COMMITTEE

LIQUIDATED DAMAGES
($250 per Container)

Company	*Container Nos.*	*Date of Letter*	*Amount and Date of Check Rec'd*
Amer. Export Isbrandtsen Lines, Inc. 26 Broadway, N. Y. C. 10004 *Capt. H. A. Allen,* Gen. Mgr. of Container Operations	CML 120440 122002	Nov. 19, 1969	$500 Dec. 3, 1969
(Belgian Line) *Dart Containerline Incorporated* 30 Church Street New York, N. Y. 10007 *Att: Mr. Henry Diercxsens* V.P.—Container Div.	DART—*Containers* 9/6 4270568 9/12 CMB4227654 9/12 4221028 9/12 4226798 9/12 2236958 9/19 CMB4281055 9/26 CMB6296 9/26 CMB4223578 10/3 CMB4227697 10/3 CMB4221877 10/10 CMB4280121 10/17 CMB6335 10/17 CMB6345 10/17 CMB4270940 BELGIAN LINE 11/7/69 2410435 4281292 4272056 4227344 4222114 4221567	Nov. 19, 1969	
Meyer Line Pier Foot of 36th St. Brooklyn, N. Y. 11232 *Att: Capt. L. Jakobson*	200566	Nov. 21, 1969	$250 Dec. 4, 1969

Respondents' Exhibit "R-37".

July 7, 1970

MEMORANDUM TO: Mr. A. P. Chopin

FROM: Captain T. F. Christopher

SUBJECT: *Wm. Spencer & Son Corp., Shed 102, Marsh St., Port Newark*

Apparently the Australian Government has contracted with Wm. Spencer & Son Corp. so that the Australian Consulate may send military goods consigned to the Australian Government to that shed, where they will be stuffed into containers, with ILA chenago labor.

Wm. Spencer & Son Corp. is also engaged in the business of export packing in this shed and feels that since these are full container loads with one beneficial owner, shipped and consigned to the same owner, that he should be permitted to receive containers at Shed 102 and stuff same.

As you know, Captain Riley of the Farrell Line discussed this with you and later with me, contending that he feels this is a violation of the Container Rule and he has refused to send containers to Shed 102.

The following steamship lines have been requested to send containers to Shed 102 for stuffing with the above mentioned military cargo:

Farrell Lines
Norton Lilly
Blue Star Line
Columbus Line
Port Line
Atlanttrafik Express Service

Respondents' Exhibit "R-37".

In light of the past decision of the NYSA-ILA Container Committee in regard to the Anaconda case, which they said was a violation; this would appear to be in the same category with the exception that this is military cargo which, I think, will have no effect on the Container Committee since the exceptions listed are in regard to personal effects of military personnel. If you remember, Anaconda was the beneficial owner, shipping from Anaconda to Anaconda some ten full loads which were stuffed by Santini Export Packing building in Brooklyn.

So that the above listed companies are aware of the resolution adopted on June 24, 1970, by the NYSA-ILA Container Committee, I feel it should be circulated to the entire membership. Otherwise, these members may be laying themselves to $1000. liquidated damages on each container sent to Shed 102.

Respectfully,

T. F. Christopher

TFC:tm

Respondents' Exhibit "R-37".

AUSTRALIAN CONSULATE-GENERAL

Telephone: *CIrcle 5-4000*
Cables : AUSTCON—N.Y.
TWX : 212-640-4677

636 FIFTH AVENUE
NEW YORK, N. Y. 10020

In Reply Please Quote 111/2/12/4

8th July 1970

The Chairman,
New York Shipping Association,
I.L.A. Container Committee,
80 Broad Street,
NEW YORK.

Dear Sir,

I write to make some points which may assist you in your current consideration of the particular problems relating to the shipment of Australian Government military equipment in containers.

The Australian Government has been purchasing military material from the U.S. since the early 1940s. Purchases reached a peak of $300,000,000 annually during 1967, 1968 and 1969. One of the biggest problems over the last 10 years has been the damage, loss and misdirection of many of the tens of thousands of spare parts being purchased to service ships, guns, aircraft, tanks etc. purchased from this country, mostly from the Government of the United States. Prior to using containers about 18 months ago, we established that a great many of the losses and damages occurred because small parcels were delivered to the wharves without any overpacking, or adequate identification which can be understood by freight forwarders and handlers and Australian Government officers both at the port of origin and the port of destination. We

established that the only way to improve the situation, which was having a serious effect on the planned maintenance programmes of Australian military equipment, was to institute a system of marking material at a central receiving point and packing it in containers so that it would not be handled other than in the central receiving point and the ultimate destination. The situation at that time was so serious that the Royal Australian Navy, which at that time had ships in Vietnam, wrote at the highest level to the effect that the "operational readiness of the Navy was seriously impaired" by the problems described. Similar problems occurred in the Airforce and the Army and we were finding many serious deficiencies affecting the maintenance programmes supporting Australian efforts in Vietnam. As you know, much of the equipment is used by, and in support of, the 10,000 Australian troops in South Vietnam.

As a result of the steps taken, the problem has been overcome. It would be a most serious situation, therefore, if it were necessary to strip the containers on the wharves subjecting material again to loss and damage. Much of the material is extremely sensitive electronic material which should not be handled unnecessarily. Apart from the physical security of the equipment it would be most likely that delays would occur in shipping. In any case I am sure that the carrier would require much more time to handle our containers. Since we, as a matter of course, ship all of this material on U.S. flag ships a delay of one sailing could cause up to three weeks further delay awaiting the next U.S. flag departure. This would be an intolerable situation in the context of the maintenance of military supplies, particularly where such a large proportion of Australia's military forces are on active combat duties re-

Respondents' Exhibit "R-37".

quiring prompt and efficient shipment of back-up spares and equipment.

All of the Commonwealth's material shipped by surface transportation to Australia and originating East of the Mississippi is directed to a single warehouse in Newark. The Commonwealth of Australia is beneficial owner of all of this material from the time it leaves the source of manufacture. The material is assembled and marked in the warehouse prior to containerization. It is then shipped on a single bill of lading by the Commonwealth of Australia *to* the Commonwealth of Australia in one of three ports. The Commonwealth remains the beneficial owner and there is no intention that the material ever be sold or be passed out of the hands of the Commonwealth.

I make the above point because of the importance attached to the term "beneficial ownership" in the relevant clause of the NYSA-ILA settlement terms published on January 12, 1969.

If there is still doubt as to the application of that clause to our material, we would hope the problem might be solved by examining, and perhaps amending, Rule 2 of the "Rules on Containers" in the document of January 12, 1969. The NYSA and the ILA will, I hope, recognise the fact that all of the material containerised consists of military equipment for Australia's armed forces. A great proportion moves, immediately on arrival in Australia, on the direct air courier transports to Vietnam where, as you know, Australian Armed Forces are fighting alongside those of this country. The balance is destined for bases which support activities in Vietnam.

In interpreting the exemptions shown in Rule 2 we would hope that this military equipment would be ex-

empted from the rule of stripping and stuffing, just as personal effects of military personnel are so exempted. I do know that at no stage during the strike of 1968 did the ILA restrict the movement of, or refuse to handle, United States military equipment and so I would earnestly hope, and indeed I feel sure, that the ILA would not knowingly restrict or impede the movement of Australian Armed Forces military material. Perhaps the ILA and NYSA might consider inserting the words "and of military material owned by and destined for the Commonwealth of Australia" in the final sentence of Rule 2.

Please contact me if I can be of any further assistance. I would be quite happy to call on you and give you clarification of any further questions which may arise.

Yours faithfully,

/s/ F. C. Murray
F.C. Murray
Acting Consul-General

Respondents' Exhibit "R-38".

AUDITING PROCEDURE RELATING TO
COMPLIANCE WITH RULES ON CONTAINERS

1. The procedure set forth below is intended to insure the enforcement of the Rules on Containers. Rule 3 (e) of said Rules specifically provides as follows:

> "Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties."

Each member of NYSA is hereby reminded that this rule is considered by the ILA to be of the essence of the Rules on Containers, which are intended to protect and preserve the work jurisdiction of longshoremen and all other ILA crafts over any containers loaded with LTL cargo or consolidated full container loads at deepsea piers or terminals.

2. NYSA has agreed with the ILA that it will undertake to assure compliance with the Rules on Containers, and that it will at its sole expense, investigate and audit each of its members to the end that enforcement of the Rules is implemented on a uniform and nondiscriminatory basis.

3. The inspection and audit of each member shall be carried out by a team consisting of a person having experience and knowledge with respect to all documentation pertaining to containers, together with an auditor or other person having accounting or auditing background.

4. The auditing team shall notify the N.Y.S.A. member in writing, stating the date the team will visit their offices. The N.Y.S.A. member will be required to provide working space and the following documents, on the vessel or vessels selected by the auditing team:

Respondents' Exhibit "R-38".

Imports	Exports
Manifest	Manifest
Bill-of-lading	Dock Receipts
Delivery Orders	Stuffing Tallies
Tallies	Pier Container List
Delivery Book	(Also, any additional
Pier Container List	documents that the
Stripping Tallies	Company may use.)

Upon arriving at the N.Y.S.A. member's office, the auditing team shall proceed to cross check all documents to see that the "Rules on Containers" have been carried out. They will check the member's list of Rule 1 containers. They will also check the manifest and bills-of-lading, in order to verify that all containers under Rule 1 have been included in the listings. All delivery orders will be checked against the manifest and the bills-of-lading. They will be alert for any additional containers that may come under Rule 1, due to ultimate destination, beneficial owner and/or routing.

When a complete list of all inward containers subject to Rule 1 has been complied; this list shall be checked against the voyage delivery books and tallies, to verify that the containers in question have been stripped—restuffed and/or delivered as break bulk cargo. Any additional documentation that the N.Y.S.A. member may use, will also be subject to audit, to arrive at a final decision.

5. A list of outward Rule 1 containers shall be complied from the export booking sheets and the dock receipts. This list will be checked against the tallies and/or any other type of documentation that the member may use, to insure that all export containers are handled in accordance with the container rules.

Respondents' Exhibit "R-38".

6. Inspection shall be made of the records of each member to determine compliance with the provisions of Rule 3 (d), which requires that records of each container supplied to a consolidator or other non-owner of cargo be kept by each member, and that such records be available for inspection by the NYSA-ILA Container Committee.

7. An on-the-spot audit of not less than 10% of the containers on the premises of each member at the time of the audit shall be made. The documentation of each container shall be reviewed. If it appears that containers which are required to be stuffed and stripped have not been stuffed and stripped, such fact shall be reported to the NYSA-ILA Committee.

8. In the event the above procedures indicate a failure of the carrier or employer to comply with the "Rules on Containers", a full audit of all containers handled by the carrier or employer may be ordered, in which case, such audit shall be at the expense of the carrier or employer.

Respondents' Exhibit "R-39".

November 18, 1970

MEMORANDUM TO: A. P. Chopin

FROM: T. F. Christopher

SUBJECT: *NYSA Staff Container Audit #7—Sea-Land Service, Inc.*

Attached is the container audit of Sea-Land Service, Inc., which is the seventh audit completed by the NYSA Staff. This audit covers two vessels; one in the Transatlantic Trade and one in the Puerto Rican Trade.

The audit of the Transatlantic trade vessel indicated no violations of the container rules.

The audit of the Puerto Rican trade vessel indicated that two containers that were not stripped at the pier, were Rule #1 Containers. (One of these containers was an I.G.E. to I.G.E. box via Sea Freight to Jersey City. In 1969 the NYSA-ILA Container Committee ruled that a similar container was a violation. The company appealed this decision, however, a hearing was never held and liquidated damages never paid).

Nineteen of the containers in both trades were changed from 'house-to-house' to 'house-to-pier' and were said to have been stripped by the ILA and new seal numbers assigned and initialled by an ILA checker. Since no 'house-to-house' container documents are initialled by an ILA checker, we have to assume that these nineteen containers which were initialled by an ILA checker, were handled in accordance with the Container Rules.

Listed below are seven steamship lines audited to date, and the percentage of containers stuffed and stripped at the pier, indicated next to the company name.

Respondents' Exhibit "R-39".

These percentages reflect only the percentage stuffed or stripped for one or two vessels, and do not necessarily indicate the percentage stuffed or stripped by each steamship company operation.

No.	*Company*	*%stuffed/stripped*
1	Atlantic Container Line	22.6%
2	Dart Containerline	38.1%
3	United States Lines	21%
4	American Ex. Isbrdtsen. Lines	20%
5	Mitsui O.S.K. Lines, Ltd.	24.5%
6	Columbus Line	31.7%
7	Sea-Land Service, Inc.	15.3%

Respectfully,

T. F. Christopher

TFC/tmp

Respondents' Exhibit "R-39".

November 16, 1970

MEMORANDUM To: Mr. A. P. Chopin

FROM: Mr. R. C. Williams and Mr. S. J. Spano

SUBJECT: *NYSA Staff Container Audit #7—Sea-Land Service, Inc.*

In order to ascertain that container movements were in conformity to NYSA-ILA Container Rules, we called on Sea-Land at Elizabeth, New Jersey. We audited their records on November 9 and 10, 1970 and November 16, 1970.

Selecting two vessels at random, we requested all available inward and outward documentation for a Transatlantic and a Puerto Rican voyage.

TRANSATLANTIC VOYAGE

We selected the "S/S MOSBOY" voyage 19W inward arriving October 25, 1970 and voyage 20E outward sailing October 26, 1970.

All inward documents were examined in turn against the vessel's manifests, freight bills and container manifests. Total containers were as follows:

INBOUND		
House-to-house	257	
House-to-house (Mail)	2	
House-to-house changed to House-to-pier	5)	32 stripped by ILA
House-to-pier	1)	labor 10.9%
Pier-to-pier	26)	
	291	

Respondents' Exhibit "R-39".

Of these 291 containers we found three (3) containers, numbers 49663, 35441, 39051 which were house-to-house containers of apparent consolidated full loads, consigned to Puerto Rican Forwarding, North Bergen, New Jersey. Examination of the container's manifests, which are made out by ILA clerks; revealed new seal numbers and the checker's initials, certifying that Sea-Land had used ILA labor in accordance with the Container Rules.

In connection with the outward voyage we examined and cross checked the container lists, freight bills and container manifests. Total containers were as follows:

OUTBOUND		
House-to-house	128	
Pier-to-house	2)	3 stuffed by ILA
Pier-to-pier	1)	labor 2.3%

In every case we were able to account and trace each container movement through the terminal and stuffing and stripping station in Shed 222. We are satisfied that Sea-Land has conformed to all the rules on containers.

Of the 422 containers carried on these Transatlantic voyages, 35 were stripped or stuffed by ILA labor. This 8.3% handled by the ILA labor is for this voyage, and not an average for the terminal.

PUERTO RICAN VOYAGE

We selected "S/S MOBILE" inward arriving October 16, 1970. This vessel did not make the return trip to Puerto Rico, and so we selected "S/S GALVASTON", sailing October 19, 1970, as the outward voyage.

All "S/S MOBILE" inward documents were examined in turn against freight bills and container manifests. Total containers were as follows:

Respondents' Exhibit "R-39".

INBOUND		
House-to-house	133	
House-to-house (Mail)	1	
House-to-house changed to House-to-pier	2)	17 stripped by ILA
Pier-to-pier	15)	labor 11.2%
	151	

Of these 151 containers we found two (2) containers, numbers 31197 and 47666 which were house-to-house containers of apparent consolidated full loads, consigned to Puerto Rican Forwarding, North Bergen, New Jersey. Examination of the container manifests, which are made out by ILA clerks; revealed new seal numbers and the checker's initials, certifying that Sea-Land had used ILA labor in accordance with the Container Rules.

In connection with the outward "S/S GALVASTON" voyage we examined and cross checked the container lists, freight bills and container manifests. Total containers were as follows:

OUTBOUND		
House-to-house	259	
House-to-house (Mail)	17	
House-to-house changed to Pier-to-house	12)	92 stuffed by ILA
Pier-to-pier	51)	labor 25.0%
Pier-to-house	29)	
	368	

Of these 368 containers we found 12 House-to-house containers of apparent consolidated full loads:

Puerto Rican Forwarding, North Bergen, New Jersey, numbers 31486, 48992, 50321, 50948, 62399.

Respondents' Exhibit "R-39".

Twin Express, Inc., Secaucas, New Jersey, numbers 32554, 57535, 61416, 61991, 62183, 64859.

Transloric Trucking Co., Jersey City, New Jersey, number 58921.

Examination of the container manifests, which are made out by ILA clerks; revealed new seal numbers and the checker's initials, certifying that Sea-Land had used ILA labor in accordance with the Container Rules.

In every case we were able to account and trace each container movement through the terminal and stuffing and stripping station in Shed 122. We are satisfied that Sea-Land has conformed to all the rules on containers, with the following exceptions:

Container #59200—delivered by Custom Haulage from Maspeth, L.I., containing three shipments, from two shippers to two beneficial owners. This container appears to be a consolidated full load moving house-to-house.

Container #62335—shipper, International General Electric to beneficial owner, International General Electric, from Sea Freight, Jersey City, New Jersey. In light of past rulings of the Container Committee concerning movements of I.G.E. to I.G.E. via Rentar, this appears to be a violation.

Of the 519 containers carried on these Puerto Rican voyages, 109 were stripped or stuffed by ILA labor. This 21.0% handled by the ILA labor is for these voyages and not an average for the terminal.

In regard to the truckmen, Transloric Trucking Co., Jersey City, New Jersey and McCullough Trucking, Elizabeth, New Jersey, These truckmen have a working

agreement with Sea-Land to truck LTL shipments. It is reported that they use Sea-Land containers and chassis at a rate per mile. They pick up LTL freight from sheds 122 and 222 after it had been stripped from containers by ILA labor. Transloric also picks up and delivers containers at Sea-Land's 19th Street, Manhattan station. McCullough picks up and delivers containers that have been consolidated in Pennsylvania and New England, beyond the 50 mile radius.

Respectfully,

/s/ Roy Williams
Roy Williams

/s/ S. J. Spano
S. J. Spano

Respondents' Exhibit "R-40".

NYSA-ILA
CONTRACT BOARD

MINUTES of a SPECIAL MEETING of the NYSA-ILA CONTRACT BOARD (NYSA-ILA Container Committee), held in the offices of the New York Shipping Association, Inc., on Monday, March 29, 1971, at 10:30 A.M.

BOARD MEMBERS PRESENT

NYSA

Messrs. A. P. Chopin, Chairman
Michael McEvoy
James Dickman
Donald Schmidt
* D. J. Talbott
* (not present)

I.L.A.

Messrs. T. W. Gleason, Sr.) Co-
John Bowers) Chairman
Anthony Scotto
William Lynch
* W. Murphy

Others Present:

C. P. Lambos, Esq. Co-Counsel
Capt. John Haynes
Capt. Theodore Christopher

Thomas W. Gleason, Esq.
Co-Counsel
Walter Sullivan
Raymond Connors
Fred Field Jr.
M. Murphy

Mr. Thomas W. Gleason, in the Chair

Respondents' Exhibit "R-40".

Min. 1: The Contract Board first considered the request of the GAI Panel that where an employee went on leave of absence with the advance permission of the NYSA-ILA Seniority Board, and as a result of debits received during such absence, developed an overpayment of GAI payments, that such overpayment be forgiven upon return to his work in the industry.

Upon motion duly made and unanimously passed, it was

RESOLVED that such recommendation of the GAI Panel be approved.

Min. 2. The Contract Board reviewed the recommendation of the GAI Panel to excise debits of certain mainteance employees who were regularly scheduled for employment, for 40 hours each week, commencing on Wednesday of each week and ending on Sunday of each week. Under the contract, debits were applied to such workers for failure to make themselves available on Monday and Tuesday of each week. Upon discontinuance of their regular employment these employees have found that the debits applied against them make it impossible for them to receive GAI payments until the passage of a substantial period of time. It is recommended that the Monday and Tuesday debits during the period during which such men actually worked from Wednesday through Sunday be excised.

Upon motion duly made, seconded and passed, it was

RESOLVED that the recommendation of the GAI Panel be approved.

At this point, the NYSA-ILA Contract Board was called to order as the NYSA-ILA Container Committee pursuant to the provision of "Rules on Containers 3-(g)"

Respondents' Exhibit "R-40".

Min. 3: The Committee again consideerd the problem of the Penn Central containers which were delivered to various Port Newark and Port Elizabeth piers from the Penn Central facility at Port Newark. After much discussion, the ILA stated that it desired the record to show that it had stopped such containers in order to protect its jurisdiction which it claimed is being encroached upon by other unions. However, it was agreed that a meeting with the Port of New York Authority would be set up some time in the following week to consider avoidance of similar future problems and that after a meeting at ILA headquarters on Tuesday, March 30, 1971 such containers would be released.

Min. 4: The Committee next considered the question of a Finn Line container. The facts indicated that a trucking company container came from a point outside the 50 mile limit and was brought to a trucking station in Hoboken, New Jersey. The cargo in the trucking company container was then repacked into a steamship line container and transported from the trucking station to the pier. It has been held up at the pier for stuffing and stripping by ILA labor.

On motion duly made, seconded and unanimously passed, it was

> RESOLVED that such container was subject to stuffing and stripping by ILA employees since it was the purpose and intent of the Rules on Containers that such work be performed on the piers where the transfer of the cargo had been performed at a trucking station within the 50 mile limit.

There being no further business, the meeting adjourned at 12 noon.

BY DIRECTION OF THE BOARD

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
5/16/72	Sea-Land 46265	Transloric	Barrinita Shoe Co. P.R.	Kinney Shoe Corp. Camp Hill, Pa.	266 ctns shoes	Inward	Container turned over to New Penn Tkg. stripped at their terminal in Jersey City—trucked to Kinney in P.A.
5/16/72	Sea-Land 58449	Transloric	Caribe China Co. P.R.	Balter Sales Co. 209 Bowery, NYC	1301 Ctns chinaware	Inward	Delivered intact to consignee
5/16/72	Sea-Land 88878	Transloric	Fined	Splendor Form Bra Co. 832 Broadway, NYC	126 ctns bras 60 ctns girdles	Inward	Delivered intact to consignee's two stores as per instructions on the B/L
5/16/72	Sea-Land 47869	Transloric		Rawling Sporting Goods Co. Englewood, N.J.	60 ctn footware	Inward	Sea-Land contends this container stripped at Sea-Land Shed 122, Eliz. Some of the cargo was put to a place of rest and the remainder listed here was restuffed into the same container and picked up by Transloric. Original seal 40-540801. Delivery seal 40-540805
				Ash Hdkf. Corp. 13 E. 37th St, NYC	2 ctn Hdkfs.		
				Dumont Hdkfs, Inc. 25 W. 39 St., NYC	5 ctn Hdkfs.		
			O.K. Checker signed receipts	Parison Art & China Co. 307 Southern Blvd. Bronx, N.Y.	8 ctns Linen goods		
				Spalding Sales Corp. 7 Filmer Rd. Edison, N.J.	106 C/s baseballs and soft balls		
5/16/72	Seatrain 129499	Transloric	Fedders World Trade Corp.		Said to contain air conditioner parts	Outward	

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
5/16/72	Seatrain 129499	Transloric	Fabius & Co. 1 World Trade Center, NYC	(Notify party) Pakhoed Amsterdam (14 consignees)	Said to contain 167 pkgs various commodities	Outward	
5/16/72	Seatrain 125708	Transloric	International Salt Co. Watkin Glen, NY	Pablo Equia & Sons San Juan, P.R.	Said to contain cartons of salt	Outward	
5/16/72	Seatrain 125489	Transloric	Sea Freight Exp. 720 Tonnolle Av Jersey City, NJ	Sea Freight Exp. San. Juan P.R.	Trailer load freight all kinds	Outward	
5/16/72	Seatrain 100403	Transloric	Sea Freight Exp. 720 Tonnolle Av Jersey City, NJ	Sea Freight Exp. San Juan, P.R.	Trailer load freight, all kinds	Outward	
5/16/72	Seatrain 112266 & 103344	Transloric	Technicon Instruments Corp. Tarytown, NY	Technicon Electronics Corp. Humacao, P.R.	2 containers returned empty pallets	Outward	
5/16/72	Seatrain 125738	Transloric	Sharp c/o Sea Freight Exp. 720 Tonnolle Av Jersey City, NJ	Futurama c/o Sea Freight Exp. San Juan, P.R.	1 Trailerload televisions	Outward	
5/16/72	Seatrain 120236	Transloric	Steelmaster Intl. Ltd. 170 W. 233 St. Bronx, N.Y.	Recurt Inc. San Juan, P.R.	129 ctsn steel Office furniture	Outward	

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. Co.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
5/16/72	Sea-Land 88859	Transloric O.K.	Rico Shipping Co. 1997 3rd Ave N.Y.C.	Rico Shipping Co. Rio Piedras, P.R.	Household goods & personal effects	Outward	Booking records show container ordered empty to shipper's place of business
5/16/72	Sea-Land 30029	Transloric O.K.	Stell Doro Biscuit Co. Bronx, NY	Frito Lay Dist. Co., P.R.	Ctns bakery goods	Outward	"
5/16/72	Sea-Land 40820	Transloric Fined	NY Dept Store 393 7th Av. NYC	NY Dept. Store Santurce, P.R.	1 Trailer load miscellaneous freight	Outward	"
5/16/72	Sea-Land 43180	Transloric O.K.	Catholic Relief Svce.	Catholic Relief Services Saigon, Vietnam	304 Bales used clothing	Outward	"
5/16/72	Sea-Land 88864	Transloric O.K.	Dynamic Instrument Corp. Plainview, L.I., NY	Dynamic Instrument Corp. Lojas, P.R.	1 Container load freight, all kinds	Outward	Booking records show container ordered empty to shipper's place of business
5/16/72	Transamerican Trailer Transport 790034	Transloric		Schonfeld & Co. Hackensack, N.J.	1000 ctns tuna fish	Inward	
6/15/72	U.S. Line 2018740	Transloric		Paulssen & Guice Ltd. Deliver to: United Carnaby East Rutherford, NJ	1 Container synthetic yarn	Inward	

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. Co.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
6/15/72	Meyer Line 200577	Transloric No Fine	Kuehue & Nagel New York, N.Y.	Getaco Paris	1 Container said to container 989 ctns fluorescent and incandescent lamps	Outward	
6/15/72	Sea-Land 56594	Transloric	IBTC Foods Inc. 1855 Broadway, NYC	S. Schonfeld & Co. Hackensack, N.J.	1700 ctns Tuna fish	Inward	Delivered in loose
6/15/72	Sea-Land 68556	Transloric	Starling Prod. Int'l. Inc. San Juan, P.R.	Winthrop Products South Kearney, NJ	84 ctns Pharmaceutical products	Inward	Sea-Land contends that the container was stripped and stuffed at Bldg. 122, Elizabeth, N.J. New seal #40-5408
		O.K.	Crespo A. Topello Santurce, P.R.	Ramirez Zayas North Bergen, N.J.	200 ctns Alcaracipo	Inward	
					100 ctns Breacal toilet preparation		
6/15/72	Sea-Land 47220	Transloric	Amjet Industries Inc. Carolina, P.R.	Karl's Shoe Dist. Jersey City, N.J.	792 ctns Sneakers		
6/15/72	Sea-Land 67895	Transloric O.K.	Hasman & Baxt 39 Broadway N.Y.C.	Puerto Rico Water Resources Authority San Juan, P.R.	339 Pkges. Misc. freight	Outward	
6/15/72	Sea-Land 59159	Transloric O.K.	J. F. Steele Assoc. Liverpool, N.Y.	Granada Del Mar St. Croix, V.I.	1 Trailer load freight, all kinds	Outward	

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
6/15/72	Sea-Land 56039	Transloric	M.F.C. Cruch Int'l. College Point	San Juan Naval Base	Root beer	Outward	
6/15/72	Sea-Land 100500	Transloric O.K.	Manhattan Storage Brooklyn, N.Y.	Rotto	Military cargo	Outward	
6/15/72	Sea-Land 54546	Transloric	8 Shippers	8 Consignees	Various	Inward	Sea-Land contends that this container was stripped and restuffed and resealed at Bldg. 122, Eliz. Proof of this is said to be the new seal #40-826736
6/15/72	Sea-Land 64110	Transloric	11 Shippers	11 Consignees	Various	Inward	Sea-Land contends that this container was stripped and restuffed and resealed at Bldg. 122, Eliz. Proof of this is said to be the new seal #40-826738
6/15/72	Sea-Land 27315	Transloric Fined	Dulcara De Puerto Rico, Inc. Hato Rey, P.R.	Gill & Buffus Inc New York, N.Y.	327 ctns Cocoa butter	Inward	
6/15/72	Sea-Land 46442 & 57955	Transloric	Cherry Valley Farms, Ltd. Lincs	North American Feather Co. Grand Rapids, Mich.	2 Containers each containing 32 bales of feathers	Inward	
7/27/72	U.S. Lines 4178768 4125650 4176641	Westside Warehouses 418 Washington St. 42 Greenwich St. NYC	Kjeldsen Denmark	Dutchocs International 90 W. Broadway N.Y.C.	3 containers Each container 1160 ctns cookies	Inward	

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	Sea-Land 46921	Alro Forwarding Co., 49 Vestry St. N.Y.C.	Blate Garment Factory Ltd.	Savoya Bros. 34 W. 33rd St. N.Y.C.	125 Ctns. Polyester/ cotton goods	Inward	Pier Shed 122
			Kui Hing Trading Co.	Florabelle Flower Corp. Jersey City N.J.	90 ctns toys		
			Andrew C. Xavier	Fashyon Barn Inc. Bayside, N.Y.	9 ctns ladies knit suits		
7/27/72	Sea-Land 68978	Hemmingway Tkg. Co. West St., N.Y.C.	A. G. Valcke Lyon	United Merchants N.Y.C.	225 ctns ready made articles	Inward	
7/27/72	Dart Line Belgian 4226933	Hemmingway Tkg. Co. West St., N.Y.C.	H. Hoogewerff Rotterdam	United Merchants Mfg. Inc. 1407 Broadway NYC	427 Pkgs. Fabrics	Inward	Various marks on B/L rider designates divisions of United Merchants as per letter and annual report
7/27/72	Sea-Land 62212	Fast Freight Co. 151 Charles St. NYC	Sonatran Le Havre Fined	World Trade Customs Broker 27 Park Pl. NYC	1 container garret equip. 161 colis	Inward	
7/27/72	Sea-Land 65943	Fast Freight Co. 151 Charles St. NY	Olivetti O.K.	Olivetti Corp of America, N.Y.	820 ctns typewriters	Inward	
7/27/72	Sea-Land 71057	Fast Freight Co. 151 Charles St. NY	Tiber/Mosengen Fined	H.Z. Berstein Co. 1 Wrld. Trade Cntr N.Y.C.	330 Ctns Mens and Womens leather shoes	Inward	
7/27/72	Seatrain 115448	Inland consolidator 445 Washington St.	John Dewer & Sons Ltd.	Eastern Liquor Corp. North Haven, Conn.	1 container Scotch whisky	Inward	

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	Sea-Land 62476	Krsanac & Levy Inc 37 Vestry St. NYC	Errine Freight Fwd. Co. 170 Broadway NYC	Errine Freight Fwd. Co. 170 Broadway NYC	30 Rolls cloth	Inward	
			Sun Chemical Corp. C/O Republic Co. 50 W. B'way NYC	Sun Chemical Corp. c/o Republic Co. 50 W. B'way NYC	1 Roll cloth		
			Alearco Int'l (P.R.) Inc. San Juan, P.R.	Area Forwarding Co. 50 Vestry St. NYC	5 ctns piece goods		
			Surgical Appliances Caguas, P.R.	Medisco 320 Broadway N.Y.C.	4 ctns surgical appliances	Stripped Building 122 7/14/72	
			Sra. Ana Quirones Santurce, P.R.	Sra. Ana Quirones, N.Y.	1 case tools 14 ctns H/H goods and personal effects 1 loose bar		
			Tony Russo Piedras, P.R.	Atlantic Service Co. Brooklyn, N.Y.	5 ctns saw blades		
			La Boutique De Virginia San Juan, P.R.	Lamp Co. Empire Blvd. Brooklyn, N.Y.	ctns tables and lamps		

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	TTT 790494	Fast Freight 151 Charles St. N.Y.C.	Twin Express 151 Charles St. N.Y.C.	Twin Express San Juan, P.R.	Freight of all kinds	Outward	Attached to B/L is a sheet signed by an ILA checker noting container was stripped & restuffed at Pier 13, Staten Island
8/ 9/72	U.S. Line 2013671	Transloric	Mitsubish Int'l Corp.	Mitsubishi Int'l Corp., Chicago	1 container Mandarin oranges	Inward	
8/ 9/72	U.S. Line 2034519	Transloric	Tony Design & Merchandise Co.	James A. Cole Inc. 675 Ave. Americas N.Y.C.	70 ctns Christmas decorations	Inward	
8/ 9/72	U.S. Line 2001562	Siegel Whse Ferris St. Bklyn, N.Y.	Tokyo Pac Sales Ltd.	Metasco Inc. 401 5th Ave N.Y.C.	1 Container bicycles	Inward	
8/ 9/72	U.S. Line 4101149	Siegel Whse Ferris St. Bklyn, N.Y.	Swire & MacLayne Ltd.	Metasco Inc. 401 5th Ave N.Y.C.	Ctns toys	Inward	
8/ 9/72	U.S. Line 4014039	Siegel Whse Ferris St. Bklyn, N.Y.	Samdo Trading Co. Seoul, Korea	Metasco Inc. 401 5th Ave. N.Y.C.	87 ctns Ski jackets	Inward	
8/ 9/72	U.S. Line 4151875 & 4153857	Bush Terminal Co. Unit B—1st Ave. Bklyn, NY	Sanpo Electric Mfg. Co., Ltd.	Montgomery Ward & Co. Chicago, Ill.	2 containers portable TV sets	Inward	
8/ 9/72	TTT 790061	Transloric	IBEC Foods Inc. 1855 Broadway N.Y.C.	S.S.C. Int'l. Inc. Hackensack, N.J.	1 Container tuna fish	Inward	
8/ 9/72	Hansa 4904900	Siegel Whse Ferris St. Bklyn, N.Y.		Mutual Buying Synd.	63 boxes textiles 82 boxes glassware	Inward	This data received by telephone, awaiting B/L
8/ 9/72	Hapag Lloyd 2146578	McLean Tkg. Co. 3rd & Adam St. Kearny, N.J.		Bekart Steel Corp. B.M.F. Toledo, Ohio		Inward	Container said to be picked up by over the road driver on the way to Chicago as of 11 A.M., 8/11/72
8/ 9/72	Atlantica Line Hansa 2112714 & 2104827	Windsor Whse. 315 Cole St. Jersey City, N.J.		May's Dept. Stores, Co.		Inward	This data received by telephone, awaiting B/L

Respondents' Exhibit "R-41".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
8/ 9/72	Hansa 4904900	Siegel Whse Ferris St. Bklyn, N.Y.		Mutual Buying Synd.	63 boxes textiles 82 boxes glassware Fined	Inward	This data received by telephone, awaiting B/L
8/ 9/72	Hapag Lloyd 2146578	McLean Tkg. Co. 3rd & Adam St. Kearny, N.J.		Bekart Steel Corp. B.M.F. Toledo, Ohio		Inward	Container said to be picked up by over the road driver on the way to Chicago as of 11 A.M., 8/11/72
8/ 9/72	Atlantica Line Hansa 2112714 & 2104827	Windsor Whse. 315 Cole St. Jersey City, N.J.		May's Dept. Stores, Co.		Inward	This data received by telephone, awaiting B/L

Respondents' Exhibit "R-42".

NYSA ILA CONTAINER ROYALTY FUND
80 Broad Street
New York, New York 10004

MINUTES of a REGULAR MEETING of the TRUSTEES of the NYSA-ILA CONTAINER ROYALTY FUND held in the offices of the New York Shipping Association, INC. on TUESDAY, AUGUST 15, 1972, at 10:30 A.M.

TRUSTEES PRESENT

Messrs. J. J. Dickman, Co-Chairman
E. J. Carroll
R. F. Chiarello
James G. Costello
J. J. Farrell, Jr.
M. R. McEvoy
J. F. McGoldrick
F. X. McQuade
R. W. Neitz
D. J. Schmidt

Messrs. T. W. Gleason Co-Chairman
John Bowers
* F. R. Field, Jr.
L. Gardner
Wm. Lynch
Wm. Murphy
A. M. Scotto
W. L. Sullivan
J. Vincenzino

* (not present)

Others Present by Invitation
C. P. Lambos, Esq.
Co-Counsel

Others Present by Invitation
T. W. Gleason, Jr., Esq.
Co-Counsel

MR. JAMES J. DICKMAN *in the Chair*

The Board of Trustees of the NYSA-ILA Container Royalty Fund convened at 10:30 A.M.

The Trustees all stood for a moment of silence in respect of Mr. Leonardis, an ILA Trustee, who died on August 13, 1972.

Min. 1 The Treasurer's report for the NYSA-ILA Container Royalty Fund was noted for the record.

Respondents' Exhibit "R-42".

Min. 2 Co-Counsel submitted for approval, suggested forms for reporting on the Container Royalty Fund on ship-by-ship containers. It was the suggestion of Co-Counsel that these forms be sent to some practical carriers, etc. for any comments they may have, and if no comments, that these forms be implemented by October 1, 1972.

Min. 3 With respect to the policy re transhipped cargo (to foreign ports via New York) it was recommended that such cargo be approved without container royalty.

Min. 4 Co-Counsel submitted a report on Container Violations which they had reviewed on Friday, August 11, 1972 and which was prepared by Captain Christopher and Mr. Williams who made the investigation. It was theiir report that in each case the containers were spotted at a consolidator's yard and stripped by deepsea ILA labor at the pier. The containers' documentation were not marked as is determined by the rule.

Mr. Gleason, Sr. made a motion that liquidated damages of $1,000.00 each per container be implemented. If there are any appeals the companies should present the facts in their defense.

Min. 5 At the request of the Co-Chairman, the question of royalty on Northbound Puerto Rican cargo was tabled for the next Trustees' meeting.

Min. 6 In connection with the question of NYSA-ILA representatives attending the CONASA-ILA Container Committee meeting scheduled for September 14 and 15, 1972, it was noted that the Contract calls for one representative from each port.

The Trustees thought the number should be increased to at least two representatives from each port.

Respondents' Exhibit "R-42".

Mr. Gleason, Sr. stated that he would discuss the matter and call Mr. Dickman to inform him who would be representing the ILA.

Min. 7 The Trustees ratified the salary adjustments for investigators.

There being no further business and upon motion duly made and seconded, the meeting was adjourned at 3:30 P.M.

.....
Secretary

Date Observed	*S/S Con*
5/16/72	Sea-4626
5/16/72	Sea-5844
5/16/72	Sea-8887
5/16/72	Sea-4786

Respondents' Exhibit "R-42".

Co. & t. No.	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
Land 5	Transloric	Barrinita Shoe Co. P.R.	Kinney Shoe Corp. Camp Hill, Pa.	266 ctns shoes	Inward	Container turned over to New Penn Tkg. stripped at their terminal in Jersey City—trucked to Kinney in P.A.
-Land 9	Transloric	Caribe China Co. P.R.	Balter Sales Co. 209 Bowery, NYC	1301 Ctns chinaware	Inward	Delivered intact to consignee
-Land 8	Transloric		Splendor Form Bra Co. 832 Broadway, NYC	126 ctns bras 60 ctns girdles	Inward	Delivered intact to consignee's two stores as per instruction on the B/L
-Land 9	Transloric		Rawling Sporting Goods Co. Englewood, N.J. Ash Hdkf. Corp. 13 E. 37th St., NYC Dumont Hdkfs., Inc. 25 W. 39 St., NYC Parison Art & China Co. 307 Southern Blvd. Bronx, N.Y. Spalding Sales Corp. 7 Filmer Rd. Edison, N.J.	60 ctn footware 2 ctn Hdkfs. 5 ctn Hdkfs. 8 ctns Linen goods. 106 C/s baseballs and soft balls	Inward	Sea-Land contends this container was stripped at Sea-Land Shed 122, Eliz. Some of the cargo was put to a place of rest and the remainder listed here was restuffed into the same container and picked up by Transloric Original seal 40-540801 Delivery seal 40-540805

Respondents' Exhibit "R-42".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
5/16/72	Seatrain 129499	Transloric	Fedders World Trade Corp.		Said to contain air conditioner parts	Outward	
5/16/72	Seatrain 129499	Transloric	Fabius & Co. 1 World Trade Center, NYC	(Notify party) Pakhoed Amsterdam (cosignees)	Said to contain 167 pkgs various commodities	Outward	
5/16/72	Seatrain 125708	Transloric	International Salt Co. Watkin Glen, NY	Pablo Equia & Sons San Juan, P.R.	Said to contain cartons of salt	Outward	
5/16/72	Seatrain 125489	Transloric	Sea Freight Exp. 720 Tonnolle Av Jersey City, NJ	Sea Freight Exp. San Juan, P.R.	Trailer load freight all kinds	Outward	
5/16/72	Seatrain 100403	Transloric	Sea Freight Exp. 720 Tonnolle Av Jersey City, NJ	Sea Freight Exp. San Juan, P.R.	Trailer load freight, all kinds	Outward	
5/16/72	Seatrain 112266 & 103344	Transloric	Technicon Instruments Corp. Tarytown, NY	Technicon Electronics Corp. Humacao, P.R.	2 containers returned empty pallets	Outward	

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
5/16/72	Seatrain 125733	Transloric	Sharp c/o Sea Freight Exp. 720 Tonnolle Av Jersey City, NJ	Futurama c/o Sea Freight Exp. San Juan, P.R.	1 Trailerload televisions	Outward	
5/16/72	Seatrain 120236	Transloric	Steelmaster Intl. Ltd. 170 W. 233 St. Bronx, N.Y.	Recurt Inc. San Juan, P.R.	129 ctsn steel Office furniture	Outward	
5/16/72	Sea-Land 88859	Transloric	Rico Shipping Co. 1997 3rd Ave N.Y.C.	Rico Shipping Co. Rio Piedras, P.R.	Household goods & personal effects	Outward	Booking records show container ordered empty to shipper's place of business
5/16/72	Sea-Land 30029	Transloric	Stell Doro Biscuit Co. Bronx, NY	Frito Lay Dist. Co., P.R.	Ctns bakery goods	Outward	"
5/16/72	Sea-Land 40320	Transloric	NY Dept Store 393 7th Av. NYC	NY Dept. Store Santurce, P.R.	1 Trailer load miscellaneous freight	Outward	"
5/16/72	Sea-Land 43180	Transloric	Catholic Relief Svce.	Catholic Relief Services Saigon, Vietnam	304 Bales used clothing	Outward	"
5/16/72	Sea-Land 88864	Transloric	Dynamic Instrument Corp. Plainview, L.I., NY	Dynamic Instrument Corp. Lojas, P.R.	1 Container load freight, all kinds	Outward	Booking records show container ordered empty to shipper's place of business

Respondents' Exhibit "R-42".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
5/16/72	Trans-american Trailer Transport 790034	Transloric		Schonfeld & Co. Hackensack, N.J.	1000 ctns tuna fish	Inward	
6/15/72	U.S. Line 2018740	Transloric		Paulssen & Guice Ltd. Deliver to: United Carnaby East Rutherford, NJ	1 Container synthetic yarn	Inward	
6/15/72	Meyer Line 200577	Transloric	Kuehue & Nagel New York, N.Y.	Cetaco Paris	1 Container said to container 989 ctns fluorescent and incandescent lamps	Outward	
6/15/72	Sea-Land 56594	Transloric	IBTC Foods Inc. 1855 Broadway, NYC	S. Schonfeld & Co. Hackensack, N.J.	1700 ctns Tuna fish	Inward	
6/15/72	Sea-Land 68556	Transloric	Starling Prod. Int'l. Inc. San Juan, P.R. Crespo A. Topello Santurce, P.R.	Winthrop Products South Kearney, NJ Ramirez Zayas North Bergen, N.J.	84 ctns Pharmaceutical products 200 ctns Alcaracipo 100 ctns Breacal toilet preparation	Inward	Sea-Land contends that this container was stripped and re-stuffed at Bldg. 122, Elizabeth, N.J. New seal #40-5408

Respondents' Exhibit "R-42".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement* Inward	*Remarks*
6/15/72	Sea-Land 47220	Transloric	Amjet Industries Inc. Carolina, P.R.	Karl's Shoe Dist. Jersey City, N.J.	792 ctns Sneakers	Inward	
6/15/72	Sea-Land 27315	Transloric	Dulcara De Puerto Rico, Inc. Hato Rey, P.R.	Gill & Buffus Inc New York, N.Y.	327 ctns Cocoa butter	Inward	
6/15/72	Sea-Land 46442 & 57955	Transloric	Cherry Valley Farms, Ltd. Lincs	North American Feather Co. Grand Rapids, Mich.	2 Containers each containing 32 bales of feathers	Inward	

Respondents' Exhibit "R-42".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
6/15/72	Sea-Land 56039	Transloric	M.F.C. Cruch Int'l. College Point	San Juan Naval Base	Root beer	Outward	
6/15/72	Sea-Land 100500	Transloric O.K.	Manhattan Storage Brooklyn, N.Y.	Rotto	Military cargo	Outward	
6/15/72	Sea-Land 54546	Transloric	8 Shippers	8 Consignees	Various	Inward	Sea-Land contends that this container was stripped and re-stuffed and resealed at Bldg. 122, Eliz. Proof of this is said to be the new seal #40-826736
6/15/72	Sea-Land 64110	Transloric	11 Shippers	11 Consignees	Various	Inward	Sea-Land contends that this container was stripped and re-stuffed and resealed at Bldg. 122, Eliz. Proof of this is said to be the new seal #40-826738
6/15/72	Sea-Land 27315	Transloric Fined	Dulcara De Puerto Rico, Inc. Hato Rey, P.R.	Gill & Buffus Inc New York, N.Y.	327 ctns Cocoa butter	Inward	
6/15/72	Sea-Land 46442 & 57955	Transloric	Cherry Valley Farms, Ltd. Lincs	North American Feather Co. Grand Rapids, Mich.	2 Containers each containing 32 bales of feathers	Inward	
7/27/72	U.S. Lines 4178768 4125650 4176641	Westside Warehouses 418 Washington St. 42 Greenwich St. NYC	Kjeldsen Denmark	Dutchocs International 90 W. Broadway N.Y.C.	3 containers Each container 1160 ctns cookies	Inward	

Respondents' Exhibit "R-42".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	Sea-Land 46921	Alro Forwarding Co., 49 Vestry St. N.Y.C.	Blate Garment Factory Ltd.	Savoya Bros. 34 W. 33rd St. N.Y.C.	125 Ctns. Polyester/ cotton goods	Inward	
			Kui Hing Trading Co.	Florabelle Flower Corp. Jersey City N.J.	90 ctns toys		
			Andrew C. Xavier	Fashyon Barn Inc. Bayside, N.Y.	9 ctns ladies knit suits		
7/27/72	Sea-Land 68978	Hemmingway Tkg. Co. West St., N.Y.C.	A. G. Valcke Lyon	United Merchants N.Y.C.	225 ctns ready made articles	Inward	
7/27/72	Dart Line Belgian 4226933	Hemmingway Tkg. Co. West St., N.Y.C.	H. Hoogewerff Rotterdam	United Merchants Mfg. Inc. 1407 Broadway NYC	427 Pkgs. Fabrics	Inward	Various marks on B/L rider designates divisions of United Merchants as per letter and annual report
7/27/72	Sea-Land 62212	Fast Freight Co. 151 Charles St. NYC	Sonatran Le Havre Fined	World Trade Customs Broker 27 Park Pl. NYC	1 container garret equip. 161 colis	Inward	
7/27/72	Sea-Land 65943	Fast Freight Co. 151 Charles St. NY	Olivetti O.K.	Olivetti Corp of America, N.Y.	820 ctns typewriters	Inward	
7/27/72	Sea-Land 71057	Fast Freight Co. 151 Charles St. NY	Tiber/Mosengen Fined	H.Z. Berstein Co. 1 Wrld. Trade Cntr N.Y.C.	330 Ctns Mens and Womens leather shoes	Inward	
7/27/72	Seatrain 115448	Inland consolidator 445 Washington St.	John Dewer & Sons Ltd.	Eastern Liquor Corp. North Haven, Conn.	1 container Scotch whisky	Inward	

Respondents' Exhibit "R-42".

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	Sea-Land 62476	Krsanac & Levy Inc 37 Vestry St. NYC	Errine Freight Fwd. Co. 170 Broadway NYC	Errine Freight Fwd. Co. 170 Broadway NYC	30 Rolls cloth	Inward	
			Sun Chemical Corp. C/O Republic Co. 50 W. B'way NYC	Sun Chemical Corp. c/o Republic Co. 50 W. B'way NYC	1 Roll cloth		
			Alearco Int'l (P.R.) Inc. San Juan, P.R.	Area Forwarding Co. 50 Vestry St. NYC	5 ctns piece goods		
			Surgical Appliances Caguas, P.R.	Medisco 320 Broadway N.Y.C.	4 ctns surgical appliances		
			Sra. Ana Quirones Santurce, P.R.	Sra. Ana Quirones, N.Y.	1 case tools 14 ctns H/H goods and personal effects 1 loose bar		
			Tony Russo Piedras, P.R.	Atlantic Service Co. Brooklyn, N.Y.	5 ctns saw blades		
			La Boutique De Virginia San Juan, P.R.	Lamp Co. Empire Blvd. Brooklyn, N.Y.	ctns tables and lamps		

Date Observed	*S/S Co. & Cont. No.*	*Location*	*Shipper*	*Consignee*	*Commodity*	*Movement*	*Remarks*
7/27/72	TTT 790494	Fast Freight 151 Charles St. N.Y.C.	Twin Express 151 Charles St. N.Y.C.	Twin Express San Juan, P.R.	Freight of all kinds	Outward	Attached to B/L is a sheet signed by an ILA checker noting container was stripped & restuffed at Pier 13, Staten Island
8/ 9/72	U.S. Line 2013671	Transloric	Mitsubish Int'l Corp.	Mitsubishi Int'l Corp., Chicago	1 container Mandarin oranges	Inward	
8/ 9/72	U.S. Line 2034519	Transloric	Tony Design & Merchandise Co.	James A. Cole Inc. 675 Ave. Americas N.Y.C.	70 ctns Christmas decorations	Inward	
8/ 9/72	U.S. Line 2001562	Siegel Whse Ferris St. Bklyn, N.Y.	Tokyo Pac Sales Ltd.	Metasco Inc. 401 5th Ave N.Y.C.	1 Container bicycles	Inward	
8/ 9/72	U.S. Line 4101149	Siegel Whse Ferris St. Bklyn, N.Y.	Swire & MacLayne Ltd.	Metasco Inc. 401 5th Ave N.Y.C.	Ctns toys	Inward	
8/ 9/72	U.S. Line 4014039	Siegel Whse Ferris St. Bklyn, N.Y.	Samdo Trading Co. Seoul, Korea	Metasco Inc. 401 5th Ave. N.Y.C.	87 ctns Ski jackets	Inward	
8/ 9/72	U.S. Line 4151875 & 4153857	Bush Terminal Co. Unit B—1st Ave. Bklyn, NY	Sanpo Electric Mfg. Co., Ltd.	Montgomery Ward & Co. Chicago, Ill.	2 containers portable TV sets	Inward	
8/ 9/72	TTT 790061	Transloric	IBEC Foods Inc. 1855 Broadway N.Y.C.	S.S.C. Int'l. Inc. Hackensack, N.J.	1 Container tuna fish	Inward	
8/ 9/72	Hansa 4904900	Siegel Whse Ferris St. Bklyn, N.Y.		Mutual Buying Synd.	63 boxes textiles 82 boxes glassware	Inward	This data received by telephone, awaiting B/L
8/ 9/72	Hapag Lloyd 2146578	McLean Tkg. Co. 3rd & Adam St. Kearny, N.J.		Bekart Steel Corp. B.M.F. Toledo, Ohio		Inward	Container said to be picked up by over the road driver on the way to Chicago as of 11 A.M., 8/11/72
8/ 9/72	Atlantica Line Hansa 2112714 & 2104827	Windsor Whse. 315 Cole St. Jersey City, N.J.		May's Dept. Stores, Co.		Inward	This data received by telephone, awaiting B/L

Respondents' Exhibit "R-42".

September 18, 1972

The following containers were observed backed into platforms at facilities in the Port, away from the waterfront:

Container	*Owner*	*Installation*	*Date Observed*
STLU 310168	Seatrain	Seatrain, Secaucus	9-18-72
ACL 201722	Atlantic Cont. Line	Rapid Distributing Corp. 330 Manhattan Ave. Jersey City, N.J.	9-18-72
OOLU-464408-2	Overseas Orient	Bergen Norfolk Dist.	9-18-72
OOLU-462016-2	Line	Terminals, Inc. Castle Road Secaucus, N.J.	"
35577	Sea-Land	Transloric	9-18-72
48921	"	Trucking Co.	"
59880	"	720 Tonnelle Ave.	"
40308	"	Jersey City, N.J.	"
STLU 112550	Seatrain	"	"
STLU 132601	"	"	"
STLU 126302	"	"	"
STLU 126128	"	"	"
HANU 4913287	Atlantica Line	"	"
59931	Sea-Land	Puerto Rican Fwdg.	9-18-72
55625	Sea-Land	2121 91 Street	"
MEYU 200384	Meyer Line	No. Bergen, N.J.	"
MEYU 200592	Meyer Line	"	"
MEYU 200417	Meyer Line	"	"
USLU 4115760	U.S. Line	Westside Warehousing Corp. Washington St., NYC	9-18-72
USLU 4173220	U.S. Line	Westside Warehousing Corp.	9-18-72
STLU 119344	Seatrain	330 West St., N.Y.C.	"
RTTZ 790300	TransAmerican	"	"
	Trailer Transport		"
65388	Sea-Land	Fast Freight	"
RTTZ 790578	TransAmerican	151 Charles St., NYC	"
RTTZ 790464	Trailer Transport	"	"
RTTZ 790106	"	"	"

Respondents' Exhibit "R-43".

MINUTES OF A REGULAR MEETING of the BOARD OF TRUSTEES of the NYSA-ILA CONTAINER ROYALTY FUND held in the offices of the New York Shipping Association, Inc., on WEDNESDAY, SEPTEMBER 27, 1972 at 2:45 P.M.

BOARD MEMBERS PRESENT

Messrs. J. J. Dickman, Co-Chairman
E. J. Carroll
R. F. Chiarello
James G. Costello
J. J. Farrell, Jr.
* M. R. McEvoy
* J. F. McGoldrick
F. X. McQuade
R. W. Neitz
D. J. Schmidt

* (not present)

Messrs. T. W. Gleason, Sr., Co-Chairman
John Bowers
F. R. Field
L. Gardner
William Lynch
William Murphy
A. M. Scotto
Walter L. Sullivan
J. Vincenzino

Others Present by Invitation

C. P. Lambos, Esq.
Co-Counsel

Others Present by Invitation

T. W. Gleason, Jr., Esq.
Co-Counsel

MR. T. W. GLEASON, in the Chair

The Meeting of the Board of Trustees of the NYSA-ILA Container Royalty Fund convened at 2:45 P.M.

Min. 1 The Co-Chairman, Mr. Gleason, presented notification to the Trustees that the ILA had appointed Mr. Vincent Colucci, Vice President of the Atlantic Coast District, to replace the deceased member, Mr. John Leonardis.

Respondents' Exhibit "R-43".

The Board of Trustees welcomed Mr. Colucci.

Upon motion duly made, seconded, and unanimously carried, it was

RESOLVED: That Mr. Vincent Colucci be appointed Union Member of the NYSA-ILA Contract Board.

Min. 2. The Board of Trustees approved the Minutes of the Meeting held on August 15, 1972 as submitted

Min. 3. Co-Counsel made a brief report on the financial status of the Fund as of the last meeting. The Board of Trustees agreed that this item be tabled for discussion at a future meeting when complete figures were received.

Min. 4. Co-Counsel made a brief report on a claim presented by Sea-Land Services for alleged overpayment and the efforts of the NYSA-ILA's auditor to review the figures and methods of payment with representatives from Sea-Land.

The Trustees, after expressions of interest in the accounting methods employed by Sea-Land Services in arriving at their claim, agreed that discussion on this matter be tabled for the next meeting.

Min. 5 Co-Counsel made a report on responses received from various Steamship Companies requesting payment of liquidated damages, enumerating protests from seven different companies.

In the case of Meyer Line, the Trustees after discussion of the facts determined that no violation was proved and requested Co-Counsel to advise them that said fine was rescinded.

A preliminary review of facts presented also allowed the Trustees to determine that one violation reported against Transamerica Trailer Transport was not proved. Co-Counsel were requested to advise Transamerica Trailer Transport that said fine was rescinded.

Respondents' Exhibit "R-43".

Upon motion duly made, seconded, and unanimously carried, it was

RESOLVED: That a notice be sent to all companies who had appealed advising them that they may appear before the Contract Board to present their proofs of non-violation for the Board's consideration.

Min. 6 Co-Counsel presented a proposition that, until the Contract Board's own internal auditing department can be established, the Trustees should employ the auditing firm who are making the audit of tonnage assessment to continue independently.

While it is recognized that the Board desires their own people to conduct audits, Co-Counsel pointed out that setting up staff and routine takes time, perhaps two to three months, in the meantime, the work could be continuing.

Upon motion duly made, seconded, and unanimously carried, it was

RESOLVED: That Co-Counsel's recommendation be accepted.

Min. 7 In accordance with the Contract Board's instructions, Co-Counsel reported that copies of new forms and instructions for reporting container royalties had been distributed to selected Steamship Companies for their comments from whom only two replies were had.

Co-Counsel continued that Maher Terminals had made certain recommendations which were incorporated in the final forms, and Sea-Land Services proposed substituting their own system.

After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED: That a uniform reporting system is to be instituted.

Respondents' Exhibit "R-43".

Min. 8 Co-Counsel submitted a letter dated August 21, 1972 received from Gilbert Trucking Company, Inc., requesting advice from the Contract Board in interpreting the Fifty Mile Rule to permit them to continue serving their only customer, General Motors Overseas Operations.

After a full discussion, it was determined that the Board of Trustees would maintain their position on the fifty mile radius conditions for consolidation stations and Co-Counsel were requested to so notify Gilbert Trucking Co. Inc.

Min. 9 Co-Counsel asked the approval of the Board for the hiring of Rubin Fier, C.P.A., to establish and implement the Internal Audit Department.

Respondents' Exhibit "R-44".

NYSA-ILA CONTAINER ROYALTY FUND
80 Broad Street
New York, N.Y. 10004

(212) 943-2740

MINUTES of a REGULAR MEETING OF THE TRUSTEES of the NYSA-ILA CONTAINER ROYALTY FUND held in the offices of the New York Shipping Association, Inc. on MONDAY, OCTOBER 16, 1972 at 10:30 A.M.

TRUSTEES PRESENT

Messrs. J. J. Dickman, Co-Chairman
E. J. Carroll
R. F. Chiarello
J. G. Costello
J. J. Farrell, Jr.
M. R. McEvoy
J. F. McGoldrick
F. X. McQuade
R. W. Neitz
* D. J. Schmidt
* (not present)

Messrs. T. W. Gleason, Co-Chairman
John Bowers
Vincent Colucci
F. R. Field, Jr.
Lester Gardner
Wm. Lynch
Wm. Murphy
Anthony Scotto
W. L. Sullivan
J. Vincenzino

Others Present by Invitation

C. P. Lambos, Esq.
Co-Counsel

Others Present by Invitation

T. W. Gleason, Jr., Esq.
Co-counsel

MR. JAMES J. DICKMAN in the Chair

Min. 1 Co-Counsel reviewed the circumstances of the reporting of three trailers (containers), namely 790034,

790061 and 790494 which appeared to be in violation of the Rules on Containers and the correspondence had with *Transamerica Trailer Transport, Inc.* in connection therewith. The Board was reminded that they had found, at their meeting of September 27th, that trailer No. 790494 was not in violation of the Rules on Containers, and that, accordingly, Transamerican Trailer Transport, Inc. had been advised that the penalty had been rescinded.

Messrs. R. D. Carter, President of Transamerican Trailer Transport, Inc., and Captain Szolkowski had appeared to present their proofs; they were asked to join the meeting.

Mr. Carter reported that Container 790034, containing 1,000 cases of Tuna Fish, was consigned by Ibec to Schoenfeld, who are the beneficial owners, the direct purchasers. Delivery order directed Transloric to pick up the container; documents show that it was delivered to Long Island City Purchase Warehouse on the same day, May 10. It was returned to the Terminal on May 25, Puerto Rican Forwarding having picked it up at Transloric.

Container 790061 was picked up by Transloric, delivered by them to Unity Warehouse, in Manhattan, on August 1st, delivery order shows it contained 1,700 cases of Ibec Tuna, consigned to Schoenfeld, as the direct purchaser.

After discussion of probability of re-distribution of the cases, and the designation of two separate warehouses by Messrs. Schoenfeld, the Board inquired if the containers had been marked, as required by the Rules on Containers. There was further discussion of the different modes of marking that would be acceptable.

Mr. Carter offered to obtain the warehouse delivery receipts, and if possible the distribution charts.

The Chair thanked Mr. Carter and Captain Szolkowski for their report, and said that they would be informed of

the Board's determination after their Executive discussion. Mr. Carter and Captain Szolkowski left the meeting.

Executive Session

The Board reviewed the facts presented; remarking that since Schoenfeld is a broker, a dealer, he buys to distribute, not for his own use, that there is a high probability that the warehouse is only a distribution center. The possible mis-application of penalty was considered; the people who observe the containers cannot know if they are empty, or in re-use. A motion was offered to obtain the warehouse receipts from Transamerican Trailer Transport, and the distribution records, and to reconsider the matter at the following meeting of the Board. The motion was seconded, and carried unanimously.

Min. 2 Co-Counsel presented the documents provided by U.S. Navigation, Inc. on behalf of Hapag-Lloyd AC contesting the imposition of a fine against Container No. 214578.

Mr. J. R. Sikorski of U.S. Navigation, Inc. was asked to join the meeting. He provided a second set of the documents from Bekaert Steel Wire Corporation, indicating that the container had moved directly with no stripping to Marion, Ohio, to Firestone. The container had a full load of steel wire, used for steel beading. Mr. Sikorski reported that they had investigated the matter of load limitation, and had found that none was involved.

The Chairman thanked Mr. Sikorski for making his presentation to the meeting, and told him that he would be notified of the determination of the Board.

Executive Session

The discussion that followed was brief; the Board reviewed the facts, mentioned that Firestone would not have

accepted a container received with the seal broken without comment. Upon motion, seconded and carried, Co-Counsel were directed to inform Mr. J. R. Sikorski, Inward Sales Manager of U.S. Navigation, Inc. that there had been no violation, and the penalty was therefore rescinded.

Min. 3 Co-Counsel presented the facts pertaining to the fine assesed against Dart Containerline Incorporated, for one container, CMBU 4226933, which was reported to be in violation. Before hearing the protest the Board discussed the facts briefly, noting that it appears that United Merchants are purchasing agents. The Board noted that the documentation for the container was marked plainly "House to House"; they will seek to ascertain why it could not have been broken down at the pier rather than a warehouse.

Mr. Henry X. Diercxsens, Vice President Container Services, of Dart Containerline Inc. appeared before the meeting, with Mr. Arthur Miller of United Merchants and Manufacturers, Inc. He presented his documentation and introduced Mr. Miller.

Co-Counsel told Mr. Diercxsens that the Board had had a preliminary discussion; that they questioned the relationship of United Merchants to the designated receivers of the cargo. Mr. Miller assured the Board that the various companies listed were all in fact fully owned subsidiaries. They provided a lengthy explanation of the procedure followed, with special reference to this shipment, which was destined in part (90%) for Adams, Mass., and in part to a location in Connecticut. Hemingway was the carrier; Mr. Miller believed it unlikely that the container would have been stripped. The Board reminded Messrs. Diercxsens and Mr. Miller that the Fifty Mile Rule would apply if the container were broken up. The Board asked to have documentation to show how the contents of the container were ultimately delivered.

Respondents' Exhibit "R-44".

The Chairman thanked Messrs. Dierexsens and Mr. Miller for attending and asked that they provide the additional material before a final determination could be made.

Executive Session

The discussion that followed covered the point that Hemingway would have records to show is the container was stripped; that if any truckman or consolidator had handled the cargo within the fifty mile radius there was a violation. It was decided to await the presentation of the documents attesting to the delivery of the contents of the container.

Min. 4 Co-Counsel advised the meeting that word had been received from Seatrain Lines that they could not appear inasmuch as the documents they required had not been received from Puerto Rico. They had asked if they might appear the following Monday.

In the absence of a representative from Seatrain there was a discussion at length on the question of establishing a proper precedent. Co-Counsel reviewed the Rules for the Board. Rule 3 (c) was discussed; the Board determined that this Rule should be enforced. The suggestion was made that a notice be sent out calling attention to this requirement, and providing a time limit after which all containers not marked as required under Rule 3 (c) shall be assumed to require stripping, and shall be stripped.

After a review of the protest already presented by Seatrain the Board directed Co-Counsel to advise Seatrain Lines, Inc. that their protest had been examined, and that the thirty-day period permitted under Rule 3 (c) shall be considered to run from the date of the notice sent by Co-Counsel, but, should proof be presented within the thirty day period that the container reported in violation did comply with the Rules on Containers, specifically Rule

Respondents' Exhibit "R-44".

3 (c), that the penalty should be rescinded. Seatrain should be advised of a meeting of the Board, or of a Sub-Committee on containerization at which such proof could be presented.

Min. 5 Co-Counsel presented the details of the violations claimed against U.S. Atlantica Containership Agencies, Inc., namely containers Nos. 2112714, 2104827 and 4904900, and reported that the Line had provided us with warehouse receipt covering two containers.

Mr. Thomas Skaarer, Manager of Inward Operations, and Mr. E. T. McArdle, Vice President, Operations of U.S. Atlantica Containership Agencies, Inc. joined the meeting, to present their argument and protest. Mr. Skaarer confirmed that the May Company is the beneficial owner of the cargo; that Mutual Buying Syndicate, Inc. are their representatives; he further confirmed that the cargoes discharged from the container were actually warehoused; that they were at this date, to the best of his knowledge, in the respective warehouses to which they had been delivered, intact, in the containers. He offered to provide warehousing bills for the second month, and to present the proof of payment that was requested by the Board. Messrs. Skaarer and McArdle were thanked by the Chairman for their cooperation, and were advised that the Board would review the further documents when received, and would inform them of the final determination.

Executive Session

The discussion covered the points that it is legitimate to warehouse cargo; that it would appear that it is a straightforward instance of cargo for its owner going into a warehouse for an undetermined period. The Board decided to await the warehousing bills, and to so advise Mr. Skaarer of U.S. Atlantica Containership Agencies, Inc.

Respondents' Exhibit "R-44".

Min. 6 Co-Counsel reported to the Board that they were to consider the protest of Sea-Land Service, Inc. against the imposition of fines on twenty-seven claimed violations. Most of these claimed violations were with Transloric. Because Messrs. L. Baker and M. Nicholas were present, waiting to be called into the meeting, the reading of the full list, already in the hands of the Board, was not necessary. The Board was asked for any general questions or discussion prior to hearing the review of the cases with the representatives from Sea-Land. Mr. McEvoy offered the information that Transloric was a readily available local truckman, and that it was designated by many consignees for that reason.

Mr. Baker and Mr. Nicholas were asked to join the meeting.

Mr. Baker presented Sea-Land's record of activity for each container listed in the penalty imposed, giving destination, beneficial owner, and all other pertinent data, direct from their records.

There followed a brief period for questions, after which the Chairman thanked Mr. L. Baker and Mr. M. Nicholas for their cooperation and told them that the Board would now consider their presentation. Advice as to the final determination would follow in writing.

Executive Session

The discussion reviewed the information submitted by Sea-Land. The Union suggested that they be allowed to review the listing independently, which they did, making certain recommendations for cancellation, and others for the sustaining of the penalties. After a brief comparison of opinions, it was agreed that determination on the penalties for Sea-Land Service should be tabled, for discussion at a future meeting of the Board.

Respondents' Exhibit "R-44".

Min. 7 Co-Counsel reported that many carriers have failed to pay Container Royalty on U.S. Mail. Discussion of background of exceptions to Container Royalty. The only exemptions from Container Royalty were household goods (or household effects) moving in containers, as personal belongings. The Board repeated its intention to collect on mail and military cargo. A motion was made, seconded and carried that the Board re-iterates its position that only household goods moving in containers is exempt from Container Royalty payments and it directs Co-Counsel to make appropriate efforts to recover previously omitted payments.

Min. 8 Co-Counsel asked the Board to consider the proposition made to it to waive the 2% penalty for late payments. It was determined that the penalty would not be waived except as provided in the Contract.

Min. 9 Co-Counsel presented the request of Ramar Stevedores and R. Martorella Co. for an exemption from filing the new Container Royalty Reports; they have explained that they handle sugar, exclusively, that it does not move in containers.

After discussion, Co-Counsel were instructed to advise R. Martorella Co., and Ramar Stevedores, that it would not be necessary for them to file the Container Royalty Report forms for the sugar ships which they handle; that they would be expected to file the appropriate forms should they handle other vessels in the future.

Respondents' Exhibit "R-45".

NYSA-ILA
CONTRACT BOARD

N.Y.S.A.
80 Broad Street
New York, N. Y. 10004

I.L.A.
17 Battery Place
New York, N. Y. 10004

NOTICE OF MEETING

The Contract Board scheduled a Meeting of the Containerization Sub-Committee for

11:30 A.M. on Thursday, November 2, 1972

at 80 Broad Street, New York, New York, the 12th Floor.

MARY TOWNSEND
Executive Secretary

Sub-Committee
John Bowers
Vincent Colucci
John J. Farrell
M. R. McEvoy
F. X. McQuade
Anthony Scotto

cc: James J. Dickman
T. W. Gleason

NYSA-ILA CONTRACT BOARD

CONTAINERIZATION SUB-COMMITTEE

Meeting of

Thusday, November 2, 1972

11:30 A.M.

AGENDA

1. Seatrain Lines: Appearance re Container Violations.

Respondents' Exhibit "R-45".

2. Dart Container Line: Response as to additional information requested by Board re Container Violations.
3. U.S. Lines: Hearing Date.
4. Status of Container Fines: Pending cases.
5. Various questions on interpretation.
6. Atlantic Container Line: Fifty Mile Rule.
7. Keystone Stevedoring Co., Inc.—Stuffing & Stripping Shed Greenville railroad yard, Jersey City
8. New Consolidation Station.
9. Eligibility for Container Royalty—A & H, & Comp.

NYSA-ILA Contract Board

Minutes of the Meeting of the Sub-Committee on Containerization, held in the office of the New York Shipping Association, Inc. on Thursday November 2, 1972, at 12:10 p.m.

Sub-Committee Members Present

Messrs. John Bowers
Vincent Colucci
Anthony Scotto *

Messrs. John F. Farrell
M. R. McEvoy
F. X. McQuade * (see note)
* (not present)

Others Present by Invitation

T. W. Gleason, Esq.
Co-Counsel

Others Present by Invitation

C. P. Lambos, Esq.
Co-Counsel
Mr. E. J. Carroll
vice Mr. McQuade

The meeting convened at 12:10 p.m.

Respondents' Exhibit "R-45".

Co-Counsel asked that the record show that Mr. Anthony Scotto, the third I. L. A. member of the Committee, was absent, and that Mr. E. J. Carroll, by consent of those present, would serve in place of Mr. F. X. McQuade at this meeting.

Min. 1 Mr. Avery W. Bates, Vice President, Port and Terminal Operations Seatrain Lines, Inc. joined the meeting to be heard protesting the assessment of liquidated damages against Seatrain Lines, Inc. on account of nine containers claimed to be in violation.

Co-Counsel Lambos directed that the record show that Mr. M. R. McEvoy of the Sub-Committee would take no part in this particular proceeding.

Mr. Avery W. Bates reported on each container, briefly, answering such questions as were put to him by the Committee.

100403: There are no documents to substantiate the initial protest.

103344: This number does not appear on container inventory, nor does it appear in the container Registry (page 60 offered), which covers the full range of the seatrain equipment. Short discussion.

112266: There is no documentary proof to substantiate the initial protest.

120236: Documents proving conclusively that the container was in Puerto Rico, loading to their DELAWARE for a May 18 sailing. This was a South Atlantic service; container would not have come to New York; it is impossible that the container was in New York on May 16, the day when it was reported to have been observed at Transloric. Brief discussion.

Respondents' Exhibit "R-45".

125489: No documentation to sustain the original contention that the container was not in violation.

125708: The Bill of Lading indicated that this is a full container of bales of rags, one shipper, one consignee—house to house; clearly not a violation. Discussion of customary procedures in assembling shipment of rags.

125738: Bill of Lading offered, to show that container is a full load of T-V sets, from Sharpe Electronics (Tonnelle Ave. Jersey City) to Futurama, San Juan, date May 21, 1972; container was picked up at terminal 8 May 1972, for Sharpe; if the driver dropped it off at Transloric for some reason of his own Seatrain has no knowledge; it was stuffed by Sharpe Electronics out at Paramus by their own labor.

Mr. Carroll interjected comment that it is an everyday occurrence to observe containers being stuffed at the great warehouse installation in Paramus.

Booking record presented also. Container on board *Trans-Indiana,* voy. 62 S. May 22, 1972.

129499: There is no documentation to support original contention that the container was not in violation.

115448: Documents show that this container was one of six, from John Dewars, Scotland, to Eastern Liquor Company, North Haven Conn.; delivery order shows carrier to be Eastern Freightway (received on July 17) picked up on July 19, as one of six; thereafter it was in the control of Eastern Freight ways. Bill of Lading shows one consignee.

Respondents' Exhibit "R-45".

Co-Counsel thanked Mr. Bates for his report, and advised him that he would receive a written notice of the determination of the Board. He thereupon left the meeting.

The Committee reviewed the information, and agreed, subject to confirmation by the Board that there was no violation on Containers No. 125738 (Sharpe Electronic) and No. 115448 (John DeWars whisky), and that we must rescind penalty against *103344*, and No. 120236, inasmuch as it was reasonably demonstrated that our report was in error.

Mr. Bowers offered motion that the remaining five penalties be sustained; Mr. Carroll seconded the motion, it was passed unanimously. Finding to be affirmed by the Board.

Min. 2 Co-Counsel offered an exchange of letters with U. S. Lines, who do not want to appear for hearing at this time, since their own investigation is incomplete. After discussion, it was determined that they should be notified to appear at the next meeting of the Sub-Committee.

Min. 3 The Committee considered the question of establishing consolidation stations: The objection to establishing consolidation stations at active piers being economic—rental problems—but retaining the utilization of deepsea labor; using site away from pier, dock or waterfront area, or not a pier in active use, may cause a jurisdictional dispute. Review of establishing of "Compound" rule in 1959—history of experience with consolidators on piers. A reason for establishing such stations would be bringing the work back to ILA deepsea labor; the discussion turned to offering a recommendation to the Contract Board to amend the Rules on Containers, as presently written, which would have to be done through CONASA inasmuch as the Rules are uniform. The members reviewed the province of the freight forwarder, noting that they should neither

strip nor stuff containers; that legally and legitimately they should only engage in the business of forwarding. Certain commodities, such as tuna fish, pineapple and cocoa-butter, should be permitted to move without hindrance. A recommendation was made that the matter be referred to the full Contract Board, suggesting that they consider the establishment of stuffing and stripping stations on the piers, for the use of any number of Lines using deepsea labor.

Co-Counsel presented a letter from Atlantic Container Lines, circulated to the members of the Committee, expressing concern over the establishment of consolidation stations in competition to their Service.

After reading the letter, on motion made, seconded and unanimously carried, the subject was tabled, pending the next meeting of the Contract Board.

A motion was made to table all further items on the Agenda pending the next meeting of the Contract Board; the motion was seconded, and carried; the meeting adjourned at 1:45 p.m.

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Secretary to the Meeting

Respondents' Exhibit "R-46".

NYSA-ILA
CONTRACT BOARD

N.Y.S.A.
80 Broad Street
New York, N. Y. 10004

I.L.A.
17 Battery Place
New York, N. Y. 10004

NOTICE OF MEETING

Please take notice that there is to be a meeting of the Sub-Committee on Containerization on Thursday, December 21, 1972, at 11 a.m.

The meeting is to be held at 80 Broad Street, New York, New York, on the 12th floor.

Messrs. John Bowers
V. Colucci
J. J. Farrell
M. R. McEvoy
F. X. McQuade
A. Scotto

cc: Messrs. J. J. Dickman
T. W. Gleason, Jr.
Co-Chairman

Messrs. T. W. Gleason, Jr.
C. P. Lambos
Co-Counsel

NYSA-ILA CONTRACT BOARD

MINUTES of the MEETING of the SUB-COMMITTEE on CONTAINERIZATION, held at 80 Broad Street, New York, New York (12th floor) on Thursday, the 21st of December, 1972, at 11:15 a.m.

Respondents' Exhibit "R-46".

SUB-COMMITTEE MEMBERS

Messrs. John Bowers	Messrs. John F. Farrell
Vincent Colucci	M. R. McEvoy
A. Scotto*	F. X. McQuade

* (not present)

Others Present by Invitation	*Others Present by Invitation*
T. W. Gleason, Jr.	C. P. Lambos
Co-Counsel	Co-Counsel

The meeting convened at 11:15 a.m.

Co-Counsel directed that the record show that Mr. A. Scotto had sent word to the Sub-Committee that he could not attend this meeting.

Min. 1. The Sub-Committee discussed the liquidated damages assessed against the various steamship Lines; reviewed the determination against Seatrain on five reported violations of the original eight and affirmed the November 2nd decision to refer this to the full Board for confirmation.

Min. 2 Co-Counsel reported that the documents requested from Dart Containerline Incorporated had been received; the Sub-Committee reviewed the circumstances and the detail disclosed by the documents; furthermore, the letter of October 19 addressed to the Board related that the container in question had had merchandise destined for two different areas beyond the fifty mile radius of the Port of New York, namely Adams, Mass. and Gaffney, South Carolina. This letter also stated that the container under discussion, No. CMBU 4226933, was picked up at Dart Terminal by Hemingway Transport on July, 25, 1972, and returned to that Terminal on July 27, 1972. The point was made that it would appear to have been impossible for the container to have travelled to Adams, Mass. and to Gaffney, South Carolina during that period.

Respondents' Exhibit "R-46".

The Sub-Committee determined that the facts should be presented to the full Board for their decision as to the imposition of the liquidated damages.

Min. 3. Co-Counsel reported that repeated efforts had been made to obtain information concerning reported violations from United States Lines, with no success. The Sub-Committee reviewed briefly the circumstances and tabled the consideration of the United States Lines liquidated damages pending the meeting of the full Board.

Min. 4 Co-Counsel reported that Transamerican Trailer Transport Inc., at the meeting of the Contract Board on October 16, 1972 had agreed to provide certain additional documentation in support of their claim of non-violation on Containers Nos. 790034 and 790061; under date of November 3, 1972 a reminder had been set requesting the prompt submission of the documents. No reply has been had thereto. Co-Counsel recommends that inasmuch as the burden of proof lay with Transamerican Trailer Transport, and had not been met, the Sub-Committee consider the imposition of the penalty as assessed. The Sub-Committee determined that this be submitted to the Board at its next meeting.

Min. 5 The Sub-Committee discussed the penalties assessed against Sea-Land Service, Inc. From the previous record the committee reviewed the seven violations on which the Union had recommended fines. Mr. McEvoy, speaking as a representative of Sea-Land Services, Inc., indicated a willingness to accede to the propriety of certain fines. However, after some discussion the Committee determined to table this matter until the next meeting of the full Board.

Min. 6 The question of establishing a policy with regard to certain commodity movements was reviewed; the question of establishing a firm interpretation of a viola-

tion was discussed. The Committee considered the question of the handling of container cargo by employees other than those of the beneficial owner.

Min. 7 The Sub-Committee read and considered the draft of the ENFORCEMENT OF RULES ON CONTAINERS dated December 18, 1972, and recommended certain changes in language to conform with the customary usage. The Sub-Committee recommended that the re-drafted proposal be circulated to the carriers.

The question of the "leave-on" cargo was reviewed; after general discussion it was decided to present this problem to the full Board at the meeting in connection with the Enforcement of Rules on Containers. The opinion was expressed that this is a CONASA problem, and should be handled in the same manner in all CONASA ports.

Min. 8 Co-Counsel asked the Sub-Committee to consider the question posed by U. S. Navigation: They carry mail in containers; they return empty mail bags in containers. Co-Counsel read to the meeting their suggestion that U. S. Navigation be told that empty mail bags were not subject to Container Assessment on the ground that historically empty containers had not been assessed. The Committee felt that this reasoning was specious; that a container of empty mail gags was not an empty container. The question was tabled, for submission to the full Board at its next meeting.

Min. 9 Co-Counsel asked if the Sub-Committee wished to make a recommendation as to a Committee to work up a proposal for the documentation to be used in future to establish the validity of a Rule I container. The Sub-Committee decided that the selection and appointment of the Committee for this purpose should be left to the full Board, and should be referred to them at their next meeting.

Respondents' Exhibit "R-46".

Min. 10 Co-Counsel reported to the Committee that a question had been raised as to the eligibility for a Container Royalty payment of early retirees. The Sub-Committee agreed to the requirement of 500 hours to establish eligibility.

There being no further business before this Sub-Committe, the meeting was adjourned, at 12:30 p.m.

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Secretary of the Meeting

NYSA-ILA
CONTRACT BOARD

N.Y.S.A.
80 Broad Street
New York, N. Y. 10004

I.L.A.
17 Battery Place
New York, N. Y. 10004

December 11, 1972

To All Members of the Contract Board:

Enclosed are two reports from Captain Christopher and Mr. R. C. Williams concerning violations of the Rules on Containers.

cc: T. W. Gleason, Jr.
C. P. Lambos
Co-Counsel

December 5, 1972

Memorandum to: Captain J. M. Haynes

From: T. F. Christopher and R. C. Williams

Subject: NYSA Staff Container Surveillance

Respondents' Exhibit "R-46".

Re: Seatrain Stuffing and Stripping Station,
901 Castle Road, Secaucus, New Jersey

On Monday, December 4, 1972, the above installation was visited and the following containers were noted on the premises:

STLU —	211267	Backed into platform
"	310142	"
"	117540	Parked
"	125046	"
"	310016	"
"	114419	"
"	117018	"
"	115676	"
USLU	4122521	"

Also backed into the platform was Container—ACL #202796. This container pulled away from the platform and the contents were noted. It appeared that a trucking company (Hawk, Stanford, Conn.) was using this container as a trailer for their own purpose.

Respectfully,

T. F. Christopher

R. C. Williams

cc: Mr. J. J. Dickman
C. Peter Lambos, Esq.
T. W. Gleason, Jr., Esq.

Respondents' Exhibit "R-46".

December 5, 1972

MEMORANDUM TO: Captain J. M. Haynes

FROM: T. F. Christopher and R. C. Williams

SUBJECT: *NYSA Staff Container Surveillance*
Re: Transloric Trucking Co.

On Monday, December 4, 1972, in a continuing surveillance of Transloric Trucking Co., 720 Tonnelle Avenue, Jersey City, N.J., it was visited. The volume of business here seems not to have lessened.

Twenty-two (22) containers were backed into the platform, and the following container numbers were noted:

Sea-Land	51038	Seatrain	131619
"	39864	"	101347
"	66946		
"	47303		
"	55754		

Approximately twenty-two (22) other containers were parked on the premises, making a total of forty-four (44) containers. The owners of these were as follows:

37	Sea-Land		
4	Seatrain		
3	Other—	(KKLU—263043 Parked	Mitsui O.SK. Line
		(USLU—2035161 "	U. S. Lines
		(CMLU—126395 "	American Export Line
44			

Respectfully,

T. F. CHRISTOPHER

R. C. WILLIAMS

cc: Mr. J. J. Dickman
C. Peter Lambos, Esq.
T. W. Gleason, Jr., Esq.

Petitioner's (CONEX) Exhibit "P-1".

MEMORANDUM OF AGREEMENT

CONASA

COUNCIL OF NORTH ATLANTIC SHIPPING ASSOCIATIONS (CONASA) AND INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO, AND THE ATLANTIC COAST DISTRICT, ILA, AFL-CIO (ILA)

The following is agreed to by CONASA and ILA in final and complete settlement of the seven (7) Master Contract issues, subject to such regulatory approvals as may be necessary:

1. WAGES

   1ST YEAR—An increase of 55¢ per hour making a total straight-time wage rate of $5.15 per hour.

   2ND YEAR—An increase of 40¢ per hour making a total straight-time wage rate of $5.55 per hour.

   3RD YEAR—An increase of 40¢ per hour making a total straight-time wage rate of $5.95 per hour.

2. CONTRIBUTIONS TO THE WELFARE PLANS

   1ST YEAR—An increase of 5½¢ per hour making a total contribution of 55¢ per hour.

   2ND YEAR—An increase of 15¢ per hour making a total contribution of 70¢ per hour.

   3RD YEAR—An increase of 10¢ per hour making a total contribution of 80¢ per hour.

3. CONTRIBUTIONS TO THE PENSION PLANS

   1ST YEAR—An increase of 12¢ per hour making a total contribution of 87¢ per hour.

Petitioner's (CONEX) Exhibit "P-1".

2ND YEAR—An increase of 18¢ per hour making a total contribution of $1.05 per hour.

3RD YEAR—An increase of 17¢ per hour making a total contribution of $1.22 per hour.

4. HOURS

To remain as in present agreements.

5. TERM OF AGREEMENT

Three (3) year contract.

1ST YEAR—Commence on November 14, 1971 to September 30, 1972.

2ND YEAR—Commence on October 1, 1972 to September 30, 1973.

3RD YEAR—Commence on October 1, 1973 to September 30, 1974.

6. CONTAINERIZATION

CONTAINER ROYALTY—An additional container royalty equal to the present container royalty of 35¢, 70¢ and $1.00 per gross ton payable as provided in the November 16, 1960 Stein Award to be used for fringe benefit purposes only, other than supplemental cash benefits, which purposes are to be determined locally on a port by port basis.

RULES ON CONTAINERS

The following provisions are intended to protect and preserve the work jurisdiction of longshoremen and all

Petitioner's (CONEX) Exhibit "P-1".

other ILA crafts at deepsea piers or terminals. To assure compliance with the collective bargaining provisions, the following rules and regulations shall be applied:

RULE 1. DEFINITIONS AND RULE AS TO CONTAINERS COVERED

Stuffing — means the act of placing cargo into a container.

Stripping — means the act of removing cargo from a container.

Loading — means the act of placing containers aboard a vessel.

Discharging —means the act of removing containers from a vessel.

These provisions relate solely to containers meeting each and all of the following criteria:

(a) Containers owned or leased by employer-members (including containers on wheels) which contain LTL loads or consolidated full container loads.

(b) Such containers which come from or go to any person (including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not the beneficial owner of the cargo.

(c) Such containers which come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

RULE 2. RULE OF STRIPPING AND STUFFING APPLIED TO SUCH CONTAINERS

A container which comes within each and all of the criteria set forth in Rule 1 above shall be stuffed and

stripped by ILA longshore labor. Such ILA labor shall be paid and employed at longshore rates under the terms and conditions of the General Cargo Agreement. Such stuffing and stripping shall be performed on a waterfront facility, pier or dock. No container of cargo shall be stuffed or stripped by ILA longshore labor more than once. Notwithstanding the above provisions, LTL loads or consolidated container loads of mail, of household goods with no other type of cargo in the container, and of personal effects of military personnel shall be exempt from the rule of stripping and stuffing.

RULE 3. RULES ON NO AVOIDANCE OR EVASION

The above rules are intended to be fairly and reasonably applied by the parties. To obtain non-discriminatory and fair implementation of the above, the following principles shall apply:

(a) Agreement in the Port as to the geographic area as provided in Rule 1 (c) is based on present LTL movement patterns in the port. Should any person, firm or corporation, for the purpose of evading the provisions of Rule 2 hereof, seek to change such pattern by shifting its operations to, or commencing new operations at, a point outside said agreed-upon geographic area, then either party may raise the question whether said point should be included within the said geographic area, and upon agreement that the purpose of the shift in its operations was to evade the provisions of Rule 2, then said point shall be deemed to be within the said geographic area for the purpose of these rules.

(b) Containers owned or leased by companies which are affiliated either directly or through a holding company with an employer-member shall be deemed to be containers owned or leased by employer-members. Affiliation shall in-

clude subsidiaries and/or affiliates which are effectively controlled by the employer-member, its parent, or stockholders of either of them.

(c) It shall be the obligation of employer-members to clearly mark each container's documentation as to whether or not it is a Rule 1 container which is to be stuffed and stripped at the waterfront facility (pier or dock). If a container is not clearly marked it shall be deemed a Rule 1 container, and it shall be stuffed or stripped.

(d) Each employer-member shall keep records of each container supplied to a consolidator or other non-owner of cargo, located within the agreed geographic area, and such record shall be available to the Committee provided in (g) below. With respect to all containers received at or delivered from the waterfront facility (pier or dock), a record of the same shall be made by ILA Checkers or Clerks.

(e) Failure to stuff or strip a container as required under these rules will be considered a violation of the contract between the parties. Use of improper, fictitious or incorrect documentation to evade the provisions of Rule 2 shall also be considered a violation of the contract. If for any reason a container is no longer at the waterfront facility at which it should have been stuffed or stripped under the rules, then the steamship carrier shall pay, to the joint Container Royalty Fund, liquidated damages of $1,000 per container which should have been stuffed or stripped. Such damages shall be used for the same purposes as the first Container Royalty is used in each port. If any carrier does not pay liquidated damages within 30 days after exhausting its right to appeal the imposition of liquidated damages to the Committee provided in (g) below, the ILA shall have the right to stop working such carrier's containers until such damages are paid.

Petitioner's (CONEX) Exhibit "P-1".

(f) If any shippers or their agents who have at any time used, are now using, or in the future use containers owned or leased by employer-members, hereafter use containers not owned or leased by employer-members, for the purpose of evading the provisions of Rule 2 hereof, then the containers so used shall be considered to be within Rule 1 and Rule 2.

(g) A Committee in each CONASA port represented equally by management and union shall be formed and shall have the responsibility and power to hear and pass judgment on any violations of these rules. Any inability to agree shall be processed as a grievance under the applicable contract except as limited by 3 (h) hereof. A joint committee represented equally by management and labor and made up of one representative from each CONASA port, namely, Boston, Providence, New York, Philadelphia, Baltimore and Hampton Roads shall meet at least quarterly each year for the purpose of insuring uniformity in the interpretation of these rules.

(h) If the purpose of protecting and preserving the present work jurisdiction of longshoremen and all other deepsea ILA crafts over any containers loaded with LTL cargo, or consolidated full container loads as defined herein is not accomplished by the provisions of these rules on containers, then either party shall have the right to renegotiate these provisions or any part thereof by giving notice to the other party. This provision shall not be subject to arbitration. Pending re-negotiation and settlement of the given dispute, the employees may decline to work any containers involved in the dispute and such refusal to work shall not be subject to arbitration. The re-negotiation referred to above will not be subject to arbitration. Interpretation of this provision shall not be determined by an arbitrator but by a court of competent jurisdiction.

Petitioner's (CONEX) Exhibit "P-1".

(i) The Container Royalty payments required by the collective bargaining agreements shall be payable only once. It shall be paid in that ILA port where the container is first handled by ILA longshore labor at longshore rates.

7. LASH AGREEMENT

CONASA and ILA agree that the following terms and conditions shall be applicable in all North Atlantic ports as follows:

(a) All LASH ships shall be loaded and unloaded exclusively by ILA longshore labor, checked by ILA deepsea checkers, maintained by the ILA cooper, carpenter and maintenance locals at a waterfront facility (meaning a pier or dock, marshalling area, roadstead or other facility or location where LASH vessels are normally and usually loaded and discharged). All lighters shall be loaded and unloaded by ILA longshore labor. The employer shall use the gang system in the loading and unloading of the lighters.

(b) The gang shall consist of the following men when working:

Steel and Other Heavy Cargo	General Cargo
11 longshoremen plus a checker and a foreman	14 longshoreman plus a checker and a foreman

(c) The gang shall work as a unit, a gang shall work only one lighter at a time, the gang cannot be broken up so it can work two or more lighters at one time. The gang shall move from lighter to lighter as a gang unit.

(d) The employer shall employ two gangs consisting of 18 men each plus any additional machine operators which are needed in the loading and unloading of the LASH ship.

(e) The agreement covering the LASH system and operations shall be in effect for a period of 60 days and

Petitioner's (CONEX) Exhibit "P-1".

from month to month thereafter provided that either party shall have the right to cancel the agreement at any time after said 60 days period on 10 days written notice, and pending the consummation of a new agreement, the employee may decline to work any LASH lighters and ships and such negotiation shall not be subject to arbitration.

8. APPROVALS

This agreement is subject to the approval of agencies of the United States having jurisdiction over pay and price increases. Such application shall be made within five days of full agreement being reached on all local port issues. In the event that necessary approvals are not obtained by February 14, 1972, either party may give 30 days written notice of cancellation in which event this agreement shall expire at the end of such 30 day period unless a new agreement is negotiated within such period, or approval is attained. Each party agrees to cooperate fully with the other with respect to the making and processing of any applications which may be required by law. Any adjustments provided herein which require prior approval shall not be placed in effect until so approved. (NOTE: The agreements have been extended to March 15.)

Petitioner's (CONEX) Exhibit "P-2".

CONASA-ILA CONTAINER COMMITTEE
80 Broad Street
New York, N. Y. 10004

(212) 943-2765

INTERPRETIVE BULLETIN No. 1

In accordance with the resolution made at the January 29, 1973, meeting of the CONASA-ILA Container Committee, directing that all interpretations be issued by the CONASA-ILA Container Committee office and promulgated to all local Port Container Committees as well as all other interested parties, Interpretive Bulletins will be issued periodically by the CONASA-ILA Container Committee for the information of all interested parties.

This document is the first such Interpretive Bulletin and sets forth the determinations reached by the CONASA-ILA Container Committee at its meetings of September 11-13, 1972, and at its meetings of January 25-29, 1973.

No person or representative is authorized to issue any interpretations other than the Port Container Committees in each CONASA port subject to review by the full CONASA-ILA Container Committee in cases of conflict. The CONASA-ILA Container Committee will issue further clarifications and interpretations only at the request of members of one of the CONASA Port Associations or an official of an ILA Local Union. Interpretations and clarifications will not be issued to any party not covered by the various Collective Bargaining Agreements. Requests, in writing, for clarifications and interpretations should be addressed to the CONASA-ILA Container Committee at the above address.

Petitioner's (CONEX) Exhibit "P-2".

The CONASA-ILA Container Committee has issued the following interpretations and definitions as of the date of this Bulletin:

INTERPRETATION 1.1

Containers Covered

The rules on containers relate solely to containers meeting either of the following criteria:

(a) Containers owned or leased by carriers (including containers on wheels) which contain LTL loads or consolidated full container loads, which come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

(b) Containers which come from or go to any person (including a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder, who is either a consolidator of outbound cargo or a distributor of inbound cargo) who is not a beneficial owner of the cargo and such containers come from or go to any point within a geographical area of any port in the North Atlantic District described by a 50-mile circle with its radius extending out from the center of each port.

INTERPRETATION 1.2

Batching

When an employer member or carrier uses a trucker to remove or deliver containers in batches, or in substantial number, from or to a terminal to another place of rest (outside of its terminal) where containers are stored pending their delivery to consignee (or after being re-

ceived from a shipper and while awaiting the arrival of a ship), for the purpose of reducing the work jurisdiction of the ILA or of any of its crafts (and when adequate physical space exists on the facility for storage of such containers), such use is deemed to be batching and is a violation of the CONASA-ILA contract.

INTERPRETATION 1.3

Warehousing

A beneficial owner does not violate the Rules on Containers when he warehouses his goods in bona fide public warehouse under the following conditions:

1. The container cargo is warehoused at a bona fide public warehouse.
2. The beneficial owner pays the normal labor charges in and out; and the normal warehouse storage fees for a minimum period of thirty or more days; and
3. The cargo is being warehoused (a) in the normal course of the business of the beneficial owner; (b) title to such goods has not been transferred from the beneficial owner to another; and (c) it is contemplated that such transfer of title will not take place for at least 30 days after the warehousing of the cargo. This exception shall not apply where cargo is warehoused for the purpose of avoidance or evasion of Rule 1.
4. The beneficial owner furnishes all documentation and other information which permits the Container Committee in the port to determine whether conditions 1, 2 and 3 have been met.
5. This definition is limited to containers warehoused as provided in the above conditions and any warehouse which does not conform to such conditions

Petitioner's (CONEX) Exhibit "P-2".

shall be deemed a distribution station and treated accordingly.

INTERPRETATION 1.4

Beneficial Owner

The beneficial owner is the ultimate owner entitled to the beneficial use, enjoyment and title of the property. The term ultimate owner refers to one using the cargo in the normal course of his business but it does not include a broker, distributor, consolidator, trucker, forwarder, warehouseman or the ultimate consumer.

INTERPRETATION 1.5

Headload

Where a single beneficial owner sends a container (either export or import) which contains all of his own cargo to a carrier's pier and such container is not full, the carrier may chock this container with additional cargo and at arrival at another port the carrier may strip the additional cargo and send the remaining cargo to the beneficial owner. The chocking or stripping at ILA ports shall be performed at a pier by deepsea ILA labor.

INTERPRETATION 1.6

Enforcement of Rules on Containers

The following standards are hereby promulgated to assure fair and non-discriminatory enforcement of the CONASA-ILA Rules on Containers.

1. (a) All outbound (export) consolidated or LTL container loads (Rule 1 containers) shall be stripped from the container at the pier by deepsea ILA labor and cargo shall be stuffed into a different container for loading aboard ship.

Petitioner's (CONEX) Exhibit "P-2".

1. (b) All inbound (import) consolidated or LTL cargo (Rule 1 containers) for distribution shall be stripped from the container and the cargo placed on the pier where it will be delivered and picked up by each consignee.

2. No carrier or direct employer shall supply its containers to any facilities operated in violation of the Rules on Containers including but not limited to a consolidator who stuffs containers of outbound cargo or a distributor who strips containers of inbound cargo and including a forwarder who is either a consolidator or a distributor. No carrier or direct employer shall operate a facility in violation of the Rule on Containers which specifically require that all containers be stuffed or stripped at a waterfront facility (pier or dock) where vessels normally dock.

A list shall be maintained of consolidation and distribution stations which are operated in violation of the Rules for the information of all carriers and direct employers. Any container consolidated at or distributed from such facilities shall be deemed a violation and subject to the rules on stuffing and stripping.

3. A committee of carriers, together with CONASA-ILA Container Committee will develop uniform documentation which shall be required to be prepared and maintained by all carriers in order to readily identify all Rule 1 containers which are subject to stuffing or stripping by deepsea ILA labor.

4. All carriers will distribute to all other carriers any and all information and devices which are being used by any person to circumvent the Rules on Containers. Any carrier whose attention is brought to a violation of the Rules shall immediately cease such violation and report the matter to the appropriate CONASA-ILA Container Committee in its port.

Petitioner's (CONEX) Exhibit "P-2".

5. The Container Committee in each CONASA port shall promulgate to all carriers and direct employers, and to the Container Committees in each CONASA port,

   any and all interpretations of the Rules on Containers as and when they are made. This will include uniform interpretations as and when they are issued by the CONASA-ILA Container Committee.

6. Any facility operated in violation of the Container Rules will not have service supplied to it by any direct employer and the ILA will not supply labor to such facility.

INTERPRETATION 1.7

Overland Movement of Containers from CONASA Port to Non-CONASA Port

If a steamship line moves containers from a CONASA port to a non-CONASA port for the purpose of evading the rules on containers, the line is in violation of the CONASA-ILA Agreement. If the cargo is being moved to the non-ILA port to meet the requirements of local market conditions, and not for the purpose of evasion, then such movement is not within the rules.

INTERPRETATION 1.8

Importers Advertising Evasion of Rules

The ILA brought to the attention of CONASA that certain importers were circulating, in writing, methods developed by them to evade the rules on containers by issuing single bills of lading on what are in fact consolidated container loads of many beneficial owners. CONASA and ILA agreed that such evasion would be stopped wherever it was found.

Petitioner's (CONEX) Exhibit "P-3a".

NYSA-ILA
CONTRACT BOARD

N.Y.S.A.
20 BROAD STREET
NEW YORK, N.Y. 10005

April 13, 1973

I.L.A.
17 BATTERY PLACE
NEW YORK, N.Y. 10004

TO ALL CARRIERS AND DIRECT EMPLOYERS:

Carriers have been assessed liquidated damages for violations of the Rules on Containers on containers stuffed or stripped at the below-listed facilities.

The following list sets forth the names and addresses of consolidation and distribution stations. It is promulgated pursuant to the provisions of Interpretive Bulletin No. I, Interpretation 1.6, paragraph 2.

Certain of the below-listed facilities are also engaged in activities not affected by the Rules on Containers, other than stuffing and stripping, such as trucking, warehousing, etc. Nothing contained in this listing is to be deemed, in any way, as covering or affecting such other activities. This list will be supplemented from time to time.

Aims Consolidation & Distribution
5607 48th Street, Maspeth, New York

Colella Bros. Trucking
645 East 13th Street, New York City

Consolidated Express
55-80 47th Street, Maspeth, N. Y.

DiGiacoma Trucking
228 Berry St., Brooklyn, New York

Domel Trucking
56-75 49th Street, Maspeth, N. Y.

Drake Motor Lines -- see Shulman Enterprises
80 Kellogg Street, Jersey City N. J.

Hasman & Bayt
288 South St., New York

Keystone LTL Shed
Port Claremont, N. J.

P & N Trucking
4711 Dell Ave., North Bergen, N. J.

Puerto Rican Forwarding
(European Container Service)
2121 91st Street, North Bergen
New Jersey

Service Refrigerated Transport
Division of Service Warehouse
112 Pioneer Street, Newark
New Jersey

Shulman Enterprises
Shulman Air Freight & Drake Motor
290 Eleventh Avenue, New York N.Y.

Transloric Trucking
720 Tonnelle Avenue
Jersey City, N. J.

Twin Express
151 Charles Street, N.Y.C.

Mary Townsend
Executive Secretary

Petitioner's (CORLE) Exhibit "P-3b".

NYSA-ILA CONTRACT BOARD

N.Y.S.A.
80 BROAD STREET
NEW YORK, N. Y. 10004

I.L.A.
17 BATTERY PLACE
NEW YORK, N. Y. 10004

April 13, 1973

TO ALL MEMBERS OF THE CONTRACT BOARD:

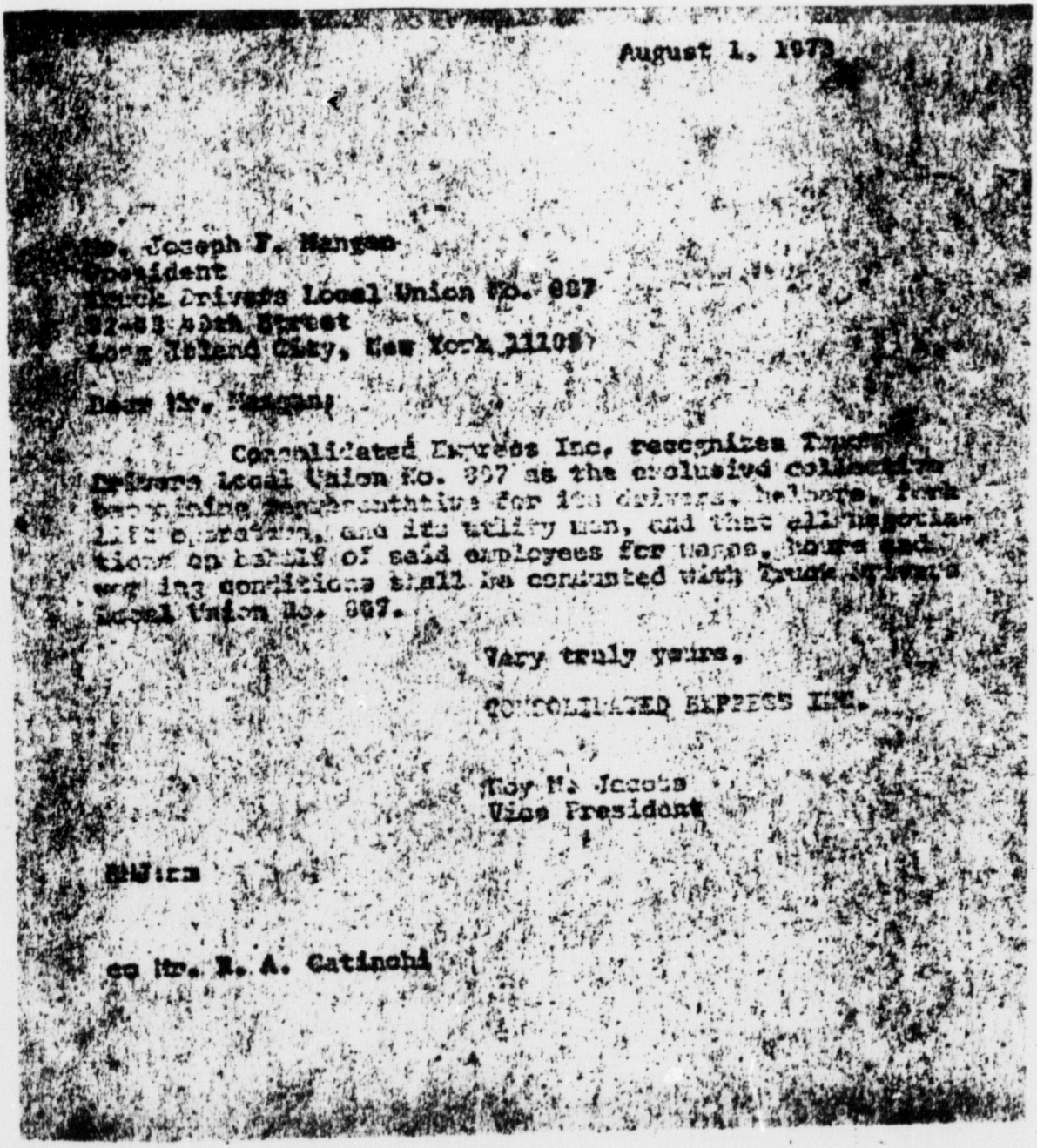
We have been directed to circulate the accompanying list.

This copy is provided for your convenience.

Thomas Townsend
Executive Secretary

1973 APR 17 AM 9:30
ANS'D
DATE

Petitioner's (CONEX) Exhibit "P-4".



August 1, 1973

Mr. Joseph F. Hangan
President
Truck Drivers Local Union No. 807
87-33 140th Street
Jamaica Island City, New York 11106

Dear Mr. Hangan:

Consolidated Express Inc. recognizes Truck Drivers Local Union No. 807 as the exclusive collective bargaining representative for its drivers, helpers, fork lift operators, and its utility men, and that all negotiations on behalf of said employees for wages, hours and working conditions shall be conducted with Truck Drivers Local Union No. 807.

Very truly yours,

CONSOLIDATED EXPRESS INC.

Roy M. Jacobs
Vice President

RMJ:rm

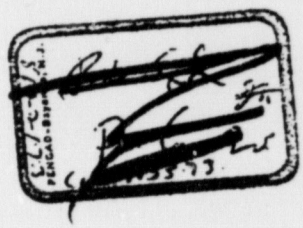
cc Mr. R. A. Catinchi

Petitioner's (CONEX) Exhibit "P-6".

FMC-F No. 2
Cancels
FMC-F No. 1
(Valencia Baxt Express, Inc. Series)

CONSOLIDATED EXPRESS, INC.

COMMON CARRIERS



EXPRESS SERVICE

OCEAN FREIGHT TARIFF No. 1

NAMING

EXPRESS AND SPECIFIC COMMODITY RATES

BETWEEN

NEW YORK CITY, NEW YORK

AND

POINTS AND PLACES IN PUERTO RICO

ISSUED JULY 14, 1965.

EFFECTIVE AUGUST 16, 1965.

Issued by:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P. O. Box 1375
San Juan, Puerto Rico

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS, INC. SERIES)

Original Page 2

CONSOLIDATED EXPRESS, INC.

CORRECTION NUMBER CHECK SHEET

Each time revised or additional original pages are received, check marks should be made on the check sheet opposite the correction numbers corresponding to those appearing in the lower right-hand corner of the revised or additional original pages. If pages should not be received bearing consecutive correction numbers, the carrier should be requested to furnish the page bearing the correction number for which a page has not been received.

CORRECTION NUMBERS

1	41	81	121	161	201	241	281	321	361	401	441
2	42	82	122	162	202	242	282	322	362	402	442
3	43	83	123	163	203	243	283	323	363	403	443
4	44	84	124	164	204	244	284	324	364	404	444
5	45	85	125	165	205	245	285	325	365	405	445
6	46	86	126	166	206	246	286	326	366	406	446
7	47	87	127	167	207	247	287	327	367	407	447
8	48	88	128	168	208	248	288	328	368	408	448
9	49	89	129	169	209	249	289	329	369	409	449
10	50	90	130	170	210	250	290	330	370	410	450
11	51	91	131	171	211	251	291	331	371	411	451
12	52	92	132	172	212	252	292	332	372	412	452
13	53	93	133	173	213	253	293	333	373	413	453
14	54	94	134	174	214	254	294	334	374	414	454
15	55	95	135	175	215	255	295	335	375	415	455
16	56	96	136	176	216	256	296	336	376	416	456
17	57	97	137	177	217	257	297	337	377	417	457
18	58	98	138	178	218	258	298	338	378	418	458
19	59	99	139	179	219	259	299	339	379	419	459
20	60	100	140	180	220	260	300	340	380	420	460
21	61	101	141	181	221	261	301	341	381	421	461
22	62	102	142	182	222	262	302	342	382	422	462
23	63	103	143	183	223	263	303	343	383	423	463
24	64	104	144	184	224	264	304	344	384	424	464
25	65	105	145	185	225	265	305	345	385	425	465
26	66	106	146	186	226	266	306	346	386	426	466
27	67	107	147	187	227	267	307	347	387	427	467
28	68	108	148	188	228	268	308	348	388	428	468
29	69	109	149	189	229	269	309	349	389	429	469
30	70	110	150	190	230	270	310	350	390	430	470
31	71	111	151	191	231	271	311	351	391	431	471
32	72	112	152	192	232	272	312	352	392	432	472
33	73	113	153	193	233	273	313	353	393	433	473
34	74	114	154	194	234	274	314	354	394	434	474
35	75	115	155	195	235	275	315	355	395	435	475
36	76	116	156	196	236	276	316	356	396	436	476
37	77	117	157	197	237	277	317	357	397	437	477
38	78	118	158	198	238	278	318	358	398	438	478
39	79	119	159	199	239	279	319	359	399	439	479
40	80	120	160	200	240	280	320	360	400	440	480

ISSUED July 14, 1965

EFFECTIVE August 16, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375
San Juan, Puerto Rico

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS, INC. SERIES)

Original Page No. 3

CONSOLIDATED EXPRESS, INC.

TABLE OF CONTENTS

SUBJECT	Page No.	Item	Para.
Abbreviations and Symbols	3	30	
Additional Charges	5	100	-
Alteration of Rates	7	5	A-H
Application of Rates	4	15	
Commodity Rates, Precedence of	4	35	
Effective Dates	5	5	
Fractional Dimensions	4	5	B,C
Measurement or Weight	4	5	D
Package containing articles of more than one Kind	5	40	
Bill of Lading	14	155	
Bill of Lading (Forms)	5	45	
Cargo Declarations	4	20	
Cargo subject to prior booking	5	50	A-H
Carrier's Liability	6	55	A,1-4
C.O.D. Shipments	4	15	
Commodity Rates	6	60,75	
Dangerous Cargo, acceptance of	6	70	
Demurrage	6	60,75	
Explosives and Firearms	6	65	
Export Declarations	7	120	
Fragile and Glass	6	70	
Free Time	13	150	
Freight All Kinds	7	120	
Class	7	135	
Household Effects	6	75	
Import of Firearms	5,6	50,85	D
Insurance	6	90	
Marking of Cargo	4	5	B,C
Measurement or weight	7	135	B
Minimum quantities or lots, Rates	7	95	
Northbound rates not shown	4	5	D
Packages containing articles of more than one Kind	6	90	
Packing and marking packages	7	125	
Personal effects	4	10	
Places to and from which rates apply	7	105	
Payment of freight charges	5,7	50,115	F
Precious Cargo	5	40	
Provisions of the Bill of Lading	7 thru 13	135-150	
Rates, Specific Commodity	3		
Reference Marks, explanation of	6	70	
Refused or unclaimed freight	4 thru 7	1-130	
Rules and Regulations	4	25	
Store-door delivery and pick-up	4	25	
Terminals, reception of cargo	7	110	
Terminals, location of	6	90	
Unpacked freight	7	115	
Valuable packages	4	5	B&C
Weight and measurement			

EXPLANATION OF ABBREVIATIONS AND REFERENCE MARKS

Bbl(s)	Barrel(s)
Cu.Ft	Cubic Foot or Feet
In.	Inch(es)
K.D	Knocked Down
LTL	Less than Trailerload
Lb(s)	Pound(s)
Mfg.P.R	Manufactured in Puerto Rico
Min.	Minimum
No.	Number
N.O.S	Not otherwise specified
S.U	Set Up
TL	Trailerload
Wt.	Weight
↓	Denotes Reduction
↑	Denotes Advance
♦	Denotes change in wording resulting in neither reduction nor advance in charges
	Denotes addition to tariff
N.Y	New York
P.R	Puerto Rico
USA	United States of America

EFFECTIVE August 16, 1965

ISSUED July 14, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375
San Juan, Puerto Rico

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS, INC. SERIES)

Original Page 4

CONSOLIDATED EXPRESS, INC.

RULES AND REGULATIONS

Item 1

Name of Carrier

Consolidated Express, Inc.

Item 5

Application of Rates

(a) Rates and charges published herein, and as may be amended or superseded, are in United States currency and apply from door to door between points and places named herein except as otherwise specified.

(b) Rates published herein apply per 100 lbs. gross weight, or per cubic foot, whichever basis yields the greater revenue, unless otherwise specified.

(c) All freight rates and other charges shall be based on the actual gross weight and or actual measurement of the individual pieces or packages, except as otherwise provided herein, with the understanding that fractional dimensions be disposed of in freighting cargo as follows:

Fractional Inches

All fractions under one-half inch shall be dropped.

All fractions over one-half inch shall be taken to the next full inch. Where a fraction of exactly one-half inch occurs in one dimension, it shall be to the next full inch.

Where fractions of exactly one-half inch occur in two dimensions, the one on the smaller dimension shall be taken to the next full inch and the other dropped. However, if both dimensions are equal, increase one fraction to the next step and drop the other. If three dimensions have exact one-half inches, the two smallest are carried to the next full inch and the other dropped.

Fractional Cubic Feet

Each item on the Bill of Lading shall be considered separately. On a single package of less than one cubic foot, if the fraction is one-half cubic foot or less, it shall be freighted at one-half cubic foot.

On a single package in excess of one cubic foot, if the fraction is less than one-half cubic foot, it shall be dropped.

If the fraction is one-half cubic foot or over, it shall be taken to the next cubic foot.

On each item on a Bill of Lading consisting of two or more packages, actual fractions shall be used to determine the total measurement of all the packages. Where the total results in a fraction, such fractions shall be dropped if less than one-half cubic foot. If the fractions are one-half cubic foot or over, it shall be taken to the next full cubic foot.

In determining the cubical contents of any piece or packages, the three greatest dimensions shall be measured.

(d) The charge for a package containing different articles shall be the rate applicable to the highest rated article in the package.

(e) Wherever in this Tariff rates or ratings are provided as applying on minimum lots or quantities, such rates, unless otherwise specifically herein provided, will be available only where cargo aggregating the minimum stated is forwarded by one shipper under one Bill of Lading, to one consignee per one voyage to one destination.

(f) Where rates or ratings are provided for on articles named herein, the same basis will also be applicable on parts of such articles, when so described on the Bill of Lading, except where specific rates are provided for such parts.

(g) Articles not specifically provided for herein will be freighted at the ratings named in the Classification of Cargo, N.O.S.

(h) Where different rates according to the value of a commodity are provided herein, it shall be understood that the value specified unless otherwise stated, is the actual value per ton of 40 cubic feet or 2000 lbs., as cargo is freighted. The lower basis is available only where the actual value of such commodity does not exceed the limitations indicated and where statement to that effect is inserted by the shipper in the Bill of Lading and is in accordance with the Cargo Declaration.

Item 10

PLACES TO WHICH RATES APPLY

Between Manhattan, South of 59th St. to the Battery on the one hand and any point within the land boundary of Puerto Rico on the other.

Item 15

Commodity Rates

Commodity rates will apply only on shipments over the minimum charges as specified herein and then shall take precedence over all general rates in this Tariff unless otherwise specified herein.

Commodity rates shall apply between points South of 59th Street in the Borough of Manhattan to points served by the carrier within the land boundaries of Puerto Rico on the other.

Item 20

Prior Booking Arrangements

Shipments with a total weight of over 3300 lbs. or 250 cu. ft. or with any piece or package weighing more than 2000 lbs. will be accepted only after prior booking arrangements have been made with the carrier, at least twenty-four hours in advance, and subject to confirmation of carrier.

Item 25

Terminal Reception of Cargo

Cargo will be picked up by Carrier's vehicles or those leased by carrier in the free pickup and delivery areas.

Cargo will be accepted at the Carrier's terminals brought by other carriers only during the hours of the normal working day.

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Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS, INC. SERIES)

Original Page 5

CONSOLIDATED EXPRESS, INC.
RULES AND REGULATIONS

Item 30 — Additional Charges

Cartage charges will be assessed on pickup and/or deliveries outside free pickup and delivery area which is South of 30th Street in Manhattan to the Battery. When pickup and/or delivery service is requested outside above mentioned area but within the Metropolitan area, namely 5 Boroughs of the City of New York, additional charge of 1.00 per hundred pounds or 10 cents per cubic foot, as cargo is freighted will be assessed.

Item 35 — Rate Changes, Effective Date

Except as otherwise provided, all rate changes become effective on voyages scheduled to sail on or after the effective date.

Item 40 — Bill of Lading

Carrier will issue a Bill of Lading in form set forth in this tariff upon information furnished in writing by shipper; this service is free of charge.

Item 45 — Cargo Declaration

Section 16, Shipping Act 1916, as amended, June 16, 1936 by P.L. 685, 74th Congress provides in part: "That it shall be unlawful for any shipper, consignor, consignee, forwarder, broker, or other person, or any officer, agent or employee thereof, knowingly and willfully, directly or indirectly, by means of false billing, false classification, false weighing, false report of weight, or by any other unjust or unfair device or means to obtain or attempt transportation by water for property at less than the rates or charges which would otherwise be applicable."

Item 50 — Carrier Liability

All shipments are governed by the following terms, conditions, and provisions which are hereby made part of the Consolidated Express,Inc. Bill of Lading through incorporation therein or by reference therein to this item.

A In consideration of the rate charged for carriage, being dependent on the value of the goods and being based upon an agreed valuation of not more than $50.00 per shipment, unless a greater value is declared at time of shipment and an additional charge therefore paid, the shipper or owner of the goods agrees that Consolidated Express, Inc. shall not be liable in any event for more than the value so declared nor unless a greater value is declared for more than $50.00 or more than the actual value if same is less than $50.00. Neither any oral declaration nor statement of value for governmental or Customs purposes, nor the presentation of invoices for use in foreign customs, collection of C.O.D. amounts or other purposes, nor the declaration of value for insurance, nor instructions to Consolidated Express,Inc. to insure shall be deemed a declaration of value, nor shall such offerings supplement or amend or alter in any way the liability of Consolidated Express, Inc. for the agreed value at time of shipment and on which the charge for transportation is based.

B On shipments consigned to Consolidated Express,Inc. and at port of destination, Consolidated Express, Inc. is directed to deliver the property to another carrier who will continue the transportation, Consolidated Express, Inc. shall not be liable for loss or damage occuring after such delivery nor for detention after having tendered the property to such other carrier.

C Consolidated Express, Inc. shall not be liable for loss, damage or detention of shipments caused by civil or military authority, the restraints of government,piracy, robbery, insurrection, strikes or riot, or by the act of any person acting as an officer of the law, whether with or without lawful process, warrant or authority, or by accident, the act of God, force majeure, floods, fire or causes beyond its control, or by the public enemy or the hazards incident to a state of war, or by the dangers of railroad transportation, or the detention of any railroad car, steamboat or other vehicle upon which said property shall be placed for transportation, or the neglect or refusal of any railroad company, steamboat or other transportation line to receive and forward the said property, or by the perils of navigation, leakage, breakage, chafing, loss in weight, changes of temperature, heat, cold, wet or decay.

D No insurance whatever is included in the freight rates. Shipments are not covered by insurance against marine risks unless the shipper indicates on the Bill of Lading "Insurance Requested" or makes written request to Consolidated Express, Inc. for insurance at time shipment is offered for carriage.

E It is agreed that shipments continuing in transit over the route of any carrier(s) other than Consolidated Express,Inc. shall be subject to the conditions, terms and provisions of the Bill of Lading of such other carrier(s) while in the possession of such other carrier(s) and in no event is Consolidated Express,Inc. liability increased beyond the limits specified in paragraph "A" of this item.

F Consolidated Express, Inc. shall not be liable for the loss of money, specie, bonds, coupons or other negotiable paper, jewelry, precious stones, or other valuables.

G As a condition precedent to recovery, claim for loss and/or damage must be made in writing to Consolidated Express,Inc.within six months from the receipt date on Consolidated Express,Inc. Bill of Lading, and any action or suit on any such claim shall be commenced within one year from the receipt date on the Bill of Lading.

H If any sum of money other than the charges for transportation is to be collected from the consignee upon delivery of the goods and same cannot be collected within forty-five days from the receipt on Bill of Lading, or, if the consignee cannot be located or refuses to accept shipment; or in the event the consignee of goods shipped pursuant to a Negotiable Order Bill of lading to or from Puerto Rico cannot present the original thereof properly endorsed; or, if for any other reason the goods shipped cannot be delivered, the shipper agrees that Consolidated Express, Inc. may return the shipment to him,subject to the conditions hereof and that he will pay all charges for all transportation and warehousing and storage and that the liability of Consolidated Express,Inc. for such goods while in its possession shall be that of a warehouse man only.

ISSUED July 14, 1965

EFFECTIVE August 16, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS INC. SERIES)

CONSOLIDATED EXPRESS, INC.

RULES AND REGULATIONS

Item 60

C.O.D. Service

C.O.D. means an arrangement between the shipper and the Carrier whereby the latter, upon delivery of the consignment, is to collect the amount indicated on the Bill of Lading as payable to the shipper.

(a) Consignments may be forwarded C.O.D. subject to the following:

1. The letters "C.O.D." shall be legibly marked on each package next to the shipper's and consignee's name and address.
2. Credit will not be extended on the amount of the C.O.D.; no privilege of examination or trial will be given prior to collection thereof; and the consignment or any part of it will not be delivered unless and until the total amount of the C.O.D. is paid to the carrier;
3. For collection and remitting the amount of the C.O.D., a service charge will be made. This charge to be assessed at one percent of value subject to minimum of $2.00.
4. C.O.D. pieces will not be accepted on the same Bill of Lading with pieces not moving C.O.D. Only pieces covered by one C.O.D. bill will be accepted on the Bill of Lading.

Item 80

Explosives and Hazardous Cargo

▲For rules and regulations governing the transportation of explosives and other dangerous articles, also specifications for shipping containers and restrictions governing the acceptance and transportation of explosives and other dangerous articles, see Agent T.C. Georges Tariff No. 15 F.M.C.-F. No. 10 and Agent T.C. Georges Water Carrier Tariff No. 17 F.M.C.-F. No. 12 and to include supplements and reissues thereof.

Item 65

Export Declaration

Shipper's Export Declaration covering each shipment must be submitted to the carrier or Carrier's agent prior to voyage.

Item 70

REFUSED OR UNCLAIMED FREIGHT SUBJECT TO FOLLOWING CONDITIONS

▲(a) Upon notice to carrier that a shipment will not be accepted by the consignee, the carrier will hold the shipment in its vehicle, or, at carrier's option, unload it in its terminal. If shipment is ultimately picked up by consignee, there will be a demurrage charge assessed at terminal where pick-up is made.

(b) If final disposition of the shipment is made by delivery in Carrier's vehicle to the ultimate consignee, shipment will be subject to redelivery charges and other lawful charges.

(c) If a shipment is refused upon tender of delivery or if prior notice of refusal by consignee has been received any subsequent delivery will be subject to redelivery charges in addition to all other charges.

(d) When consignor requests that notice of refused or unclaimed freight be sent by telegraph, this will be done at his expense.

(e) In case of a shipment consigned for terminal delivery or "Will-call", it shall be treated as refused shipment if not called for within five days from the first 7:00 A.M. after notice of arrival has been given to the persons entitled to such notice.

▲(f) In all cases of refused or unclaimed freight Carrier will advise consignor of said fact as soon as possible.

(g) If a shipment is refused or unclaimed and final disposition is made by returning the shipment to the consignor at his point of shipment, lawful tariff rates will be assessed for the return in addition to all accrued charges.

(h) When the consignee can not be located or a shipment can not be delivered at the address shown in the Bill of Lading, the shipment is considered and deemed "refused".

♦(i) Applicable charges: 1. Demurrage charges will be assessed at 5 cents per cubic foot or 20 cents per hundred pounds, per fortnight or fraction thereof as cargo is freighted subject to minimum of $1.00 per fortnight or fraction thereof. 2. Redelivery charges will be assessed at $1.00 per hundred pounds or 10 cents per cubic foot as cargo is freighted subject to minimum of $3.50.

Item 75

IMPORT OF FIREARMS TO PUERTO RICO

Revolvers and Small Arms cannot be delivered to consignee other than Police and Armed Forces in Puerto Rico except if consignee holds Government License to import firearms and can prove same prior to delivery.

Item 85

Insurance

Freight rates do not include any insurance. Upon request of the shipper, Carrier will insure for the account of the shipper and add insurance charges to the charges on the Bill of Lading.

Item 90

Packing and Marking of Cargo

All cargo shall be packed and marked in such manner as to protect it against all damage incidental to motor and ocean transportation.

Used household goods may be carried unpacked if prior arrangements have been made with carrier.

▲Industrial parts and components will be accepted unpacked and not crated but in full trailer lots, stowed and braced by the shipper for his own account and under his responsibility and container may then be received and sealed by carrier for the shipper with a special seal. In this case the Bill of Lading shall bear the notation "Shipper's Load and Count." Carrier shall not be liable for damage to goods if shipment is packed by shipper in trailer lots.

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EFFECTIVE August 15, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1275

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1

(VALENCIA BAXT EXPRESS INC. SERIES)

Original Page 7

CONSOLIDATED EXPRESS, INC.

RULES AND REGULATIONS

Item 095 — Northbound Rates not shown

Where specific rates are not provided in homeward section of this tariff, apply rates for the same commodity in outward section. Where no specific rates are shown in outward section apply the homeward "Cargo, N.O.S." rates.

Item 100 — Alternation of Rates

When the charge accruing on a shipment based on actual quantity of freight exceeds the charge computed at a rate based upon a greater unit of freight, the latter will apply.

Item 105 — Payment of Freight Charges

All freight and other charges are to be prepaid but if desired collect shipments will be received and transported only if shipper guarantees payment of charges in the event of freight being refused, returned unclaimed or consignee refuses to pay charges.

Item 110 — Location of Terminals

Carrier will from time to time announce the location of the receiving terminals to the shippers. Present terminals are located in;

New York, N.Y.

Puerto Rico

San Juan
Ponce
Mayaguez

Item 115 — Valuable Packages

Acceptance of goods other than household goods valued at over $1.50 per lb. is subject to prior arrangements with carrier.

Item 120 — "Glass and Fragile"

Articles of glass, articles contained in glass and fragile objects in general shall be so packed as to protect same against all damage during normal truck and ocean handling and must be clearly marked as the case may be.

Item 125 — Personal Effects

Personal effects, baggage and other personal belongings and samples of tradesmen and salespeople will be carried only subject to the rate of Personal Effects, except as otherwise provided herein.

Attention is called that goods so shipped must be properly marked as such on the Bill of Lading.

Item 130 — Household Effects, Definition of

The term "household effect" means used household or personal effects (not for resale) such as clothing, furniture or furnishings for residences, but not including jewelry, silverware or furs.

Item 135 — Rates

A. Pursuant to liability clause, Item 50 of this tariff, valuation charge will be assessed at ¼ of 1% of declared value.

B. The minimum charge on any shipment covered by one bill of lading will be $12.00, unless otherwise specified.

ISSUED July 14, 1965

EFFECTIVE August 15, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375

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Petitioner's (C. NE[illegible] Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1

Original Page 8 — Outward Section — VALENCIA BAXT EXPRESS INC. SERIES)

CONSOLIDATED EXPRESS, INC.

COMMODITY RATES ITEM 140

In Dollars and Cents as Shown

COMMODITY	Less than 100 cubic feet or 3600 pounds		From 100 cubic feet to and including 199 or 3600 pounds to and including 7199 pounds		Over 200 cubic feet or 7200 pounds	
	Per Cu.Ft.	Per 100 Lbs.	Per Cu.Ft.	Per 100 Lbs.	Per Cu. Ft.	Per 100 Lbs.
Abrasives,N.O.S.	.98	2.75	.94	2.65	.85	2.43
▲Advertising Matter and materials,NOS	.87	2.48	.87	2.48	.83	2.38
Aluminumware, N.O.S.	.98	2.75	.94	2.65	.90	2.55
Amusement Park Equip, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
▲Automobile Supplies,Parts and Accessories,NOS.	.87	2.48	.87	2.48	.83	2.38
Bags,Poly,Plastic,Cellophane	.91	2.58	.87	2.48	.83	2.38
♦Bags,Hand,Leather,Straw & Artificial	.88	2.50	.88	2.50	.88	2.50
Bakery Supplies,non aluminum, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Batteries, (see Auto Parts)						
Beads,N.O.S.	.98	2.75	.94	2.65	.90	2.55
Belting,Industrial, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Belts,N.O.S.	.98	2.75	.94	2.65	.90	2.55
Bicycles,(See Auto Parts)						
▲Billiard Tables and Supplies,NOS	1.09	3.03	.98	2.75	.90	2.55
Biological specimens	1.09	3.03	.98	2.75	.90	2.55
Books,Printed or Blank,N.O.S	.87	2.48	.87	2.48	.83	2.38
Bottles,N.O.S.	.91	2.58	.89	2.53	.88	2.50
Cut glass,thermos.	1.09	3.03	.98	2.75	.90	2.55
Brassieres,Materials for Mfg, N.O.S.	.88	2.50	.88	2.50	.83	2.38
Brassware,N.O.S.	.98	2.75	.94	2.65	.90	2.55
Brass Fittings, N.O.S.	.98	2.75	.94	2.65	.90	2.55
▲Brooms,NOS	.79	2.28	.79	2.28	.79	2.28
▲Brushes and Brush materials,NOS.	.88	2.50	.88	2.50	.83	2.38
▲Buildings,Portable or Prefab,Parts for,NOS	.98	2.75	.94	2.65	.90	2.55
Bulbs or Tubes,Electric or Fluorescent	.92	2.60	.89	2.53	.88	2.50
Buttons,N.O.S.	.98	2.75	.94	2.65	.90	2.55
Cabinets,Filing,Kitchen, (See Furniture)						
Calendars,N.O.S.	.87	2.48	.87	2.48	.83	2.38
Cameras	1.02	2.85	.96	2.70	.90	2.55
Candles,Fancy or Wax	.90	2.55	.89	2.53	.88	2.50
▲Canned or Bottled goods,NOS.	.83	2.38	.83	2.38	.81	2.33
Cans or Work Bins,S.U.	.87	2.48	.87	2.48	.87	2.48
Cartridges for Small Arms		5.40		5.40		5.40
Carbon Paper, N.O.S.	.87	2.48	.87	2.48	.83	2.38
▲Carpets,NOS.	.91	2.58	.89	2.53	.83	2.38
Carriages,Baby	.87	2.48	.87	2.48	.83	2.38
Caskets,Coffins,Burial Cases	.87	2.48	.84	2.40	.83	2.38
Catalogues, N.O.S.	.87	2.48	.87	2.48	.83	2.38
♦Cellophane Products,N.O.S.	.91	3.13	.91	3.13	.91	3.13
Cellulose Film	.87	2.48	.87	2.48	.83	2.38
Cement,N.O.S	.98	2.75	.94	2.65	.90	2.55
Chains,N.O.S	.98	2.75	.94	2.65	.90	2.55
♦Chairs,Barber,N.O.S.	.87	2.48	.87	2.48	.83	2.38
Chemicals,N.O.S.,Hazardous	1.50	4.05	1.50	4.05	1.50	4.05
Chemicals,N.O.S.,non Hazardous	1.09	3.03	.98	2.75	.90	2.55
Chinaware,N.O.S.	.87	2.48	.87	2.48	.83	2.38
Cleaning Compound,N.O.S.	1.09	3.03	.98	2.75	.90	2.55
Clothing,Ready to Wear,(See Dry Goods)						
Clocks	1.09	3.03	.98	2.75	.90	2.55
Coin Wrappers,N.O.S.	.87	2.48	.87	2.48	.83	2.38
Combs,N.O.S.	.98	2.75	.94	2.65	.90	2.55
▲Confectionery,NOS.	.83	2.38	.83	2.38	.81	2.33
Conveyors,N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Cosmetics,(See Toilet Preparations)						
Cots,(See Furniture)						

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FMC-F NO. 2
Cancels
FMC-F NO. 1

(VALENCIA BAXT EXPRESS, INC. SERIES)

Outward Section

CONSOLIDATED EXPRESS, INC.

COMMODITY RATES

In Dollars and Cents as Shown

COMMODITY	Less than 100 cubic feet or 3600 pounds		From 100 cubic feet to and including 199 or 3600 pounds to and including 7199 pounds		Over 200 cubic feet or 7200 pounds	
	Per Cu. Ft.	Per 100 Lbs.	Per Cu. Ft.	Per 100 Lbs.	Per Cu. Ft.	Per 100 Lbs.
Batting, Absorbent, Batting or Wadding	.97	2.73	.94	2.65	.90	2.55
Bedding or Bed	.83	2.38	.83	2.33	.81	2.33
Blankets N.O.S.	.87	2.48	.87	2.48	.83	2.38
Boots N.O.S.	.97	2.73	.94	2.65	.90	2.55
Brushware N.O.S.	.87	2.48	.87	2.48	.83	2.38
▲Display Signs	1.09	3.03	.98	2.75	.90	2.55
▲Dental Supplies & Equip. NOS						
Dresses, Apply Dry Goods					.83	2.38
Drugs (See Toilet Preparations)	.88	2.50	.88	2.50	.88	2.50
▲Dry Goods NOS	.88	2.50	.88	2.50	.90	2.55
▲Electrical Equipment, N.O.S.	1.09	3.03	.98	2.75	.83	2.38
▲Dyes, N.O.S	.87	2.48	.87	2.48		
▲Earthenware, N.O.S.	.94	2.65	.90	2.55	.85	2.43
Electrical Appliances, Equipment, Materials, N.O.S.	1.19	3.28	1.19	3.28	1.19	3.28
Engraving, Printing Supplies, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Enamelware, N.O.S.	.98	2.75	.94	2.65	.90	2.55
Extinguisher, Fire.						
Fans Electric, (Apply Electric Appliances)	1.09	3.03	.98	2.75	.90	2.55
Films, Motion Picture	.91	3.13	.91	3.13	.91	3.13
Film, Vinyl	.98	2.75	.94	2.65	.90	2.55
Fasteners N.O.S.	.98	2.75	.94	2.65	.90	2.55
▲Fixtures, other than Electrical, NOS						
Fixtures, Lighting (Apply Electrical Appliances)	.98	2.75	.94	2.65	.90	2.55
Flowers Artificial, N.O.S.	.83	2.38	.83	2.38	.83	2.38
Fiber, Synthetic (not yarn)	.98	2.75	.94	2.65	.90	2.55
Fibreboard, N.O.S	.88	2.50	.88	2.50	.88	2.50
▲Filters and refills plastic, NOS	1.21	3.40	1.21	3.40	1.21	3.40
Findings, Jewelry						
Findings, Shoe	.85	2.43	.85	2.43	.83	2.38
Freight All Kinds (See Page 13)						
Furniture, N.O.S.						
Glass:						
Common, Insulating	.83	2.38	.83	2.38	.83	2.38
Laminated	1.09	3.03	.98	2.75	.90	2.55
Plate, Decorated or Cut	1.09	3.03	.98	2.75	.90	2.55
Glue, N.O.S.	.98	2.75	.94	2.65	.90	2.55
Gloves, Cotton	.88	2.50	.88	2.50	.88	2.50
▲Glove Trunks and Accessories NOS	.83	2.50	.88	2.50	.88	2.50
Grease, N.O.S.	.87	2.48	.87	2.48	.87	2.48
Groceries (See Canned or Bottled Goods)	1.22		1.22		1.22	
Hairpins	.85	2.43	.85	2.43	.83	2.38
▲Hampers, NOS	.88	2.50	.88	2.50	.88	2.50
▲Handbags and Parts NOS						
Handkerchiefs (See Dry Goods)	.98	2.75	.94	2.65	.90	2.55
Hand Trucks	.91	2.58	.89	2.53	.88	2.50
Hardware, Other than tools, N.O.S.	.88	2.50	.88	2.50	.88	2.50
Hides	.98	2.75	.98	2.75	.98	2.75
Hooks and Eyes, N.O.S.						
Hosiery (Apply Dry Goods)	1.09	3.03	.98	2.75	.90	2.55
▲Hospital Equipment, non Electric, NOS.						
Electric-apply Electric Appliances	1.27	3.58	1.09	3.03	.98	2.75
▲Household Effects, used, not for resale, see Rule 130	1.01	2.84	.96	2.70	.90	2.55
Ink, Writing or Printing	1.09	3.03	.98	2.75	.90	2.55
Instruments; Optical, Surgical, Surveying, Scientific, NOS	1.01	2.84	.96	2.70	.90	2.55
Instruments, Musical	.83	2.38	.83	2.38	.83	2.38
▲Insulating Batting, NOS	1.00	2.80	1.00	2.80	1.00	2.80
Insulators, Porcelain		3.00		3.00		3.00
Iron Screws	.87	2.48	.87	2.48	.83	2.38
▲Iron Stampings, NOS	1.50	4.05	1.50	4.05	1.50	4.05
Jewelry, watches, N.O.S.						
▲Kitchen Equipments, viz Counters, Racks, NOS	.88	2.50	.88	2.50	.83	2.38
Knitwear (Apply Dry Goods)						

ISSUED: July 14, 1965

EFFECTIVE: August 16, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President

ONLY COPY AVAILABLE

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC F NO. 1

Outward Section | (VALENCIA BAXT EXPRESS, INC. SERIES)

CONSOLIDATED EXPRESS, INC.

COMMODITY RATES
In Dollars and Cents as Shown

COMMODITY	Less than 100 cubic feet or 3600 pounds		From 100 cubic feet to and including 199 or 3600 pounds to and including 7199 pounds		Over 200 cubic feet or 7200 pounds	
	Per Cu. Ft.	Per 100 Lbs	Per Cu. Ft.	Per 100 Lbs.	Per Cu. Ft.	Per 100 Lbs.
Labels, N.O.S.	.87	2.48	.87	2.48	.83	2.38
▲Machinery Supplies, N.O.S.	1.09	3.03	.98	2.75	.90	2.55
▲Lamps, Shade, N.O.S.	.87	2.48	.87	2.48	.87	2.48
Leather, Non Hazardous	.98	2.75	.96	2.70	.90	2.55
Hazardous	1.50	4.05	1.50	4.05	1.50	4.05
▣Lasters, N.O.S.	.98	2.75	.98	2.75	.98	2.75
Lamps and Shades, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Lathes, N.O.S.	.95	3.00	.95	3.00	.95	3.00
Leather and Leather Goods, Artificial or natural, N.O.S	.87	2.48	.87	2.48	.83	2.38
Leather Sole, in bales or bundles.		3.25		3.25		3.00
Leather, Waste or Scrap.		3.95		3.95		3.75
Life Preservers	.98	2.75	.94	2.65	.90	2.55
▲Linens, N.O.S.	.88	2.50	.88	2.50	.83	2.38
▲Luggage, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Trunks, N.O.	.65		.65		.65	
▲Machinery, Electric and Non Electric, N.O.S.	.97	2.73	.94	2.65	.90	2.55
Machinery and Parts, N.O.S.	.97	2.73	.94	2.65	.90	2.55
Machines:						
Business and Office, N.O.S. (Subject to $9.50 minimum)	1.19	3.28	1.19	3.28	1.19	3.28
▲Musical Coin Operated, N.O.S.	1.09	3.03	.98	2.75	.90	2.55
▲Sewing, N.O.S	.87	2.48	.87	2.48	.83	2.38
▲Vending, Slot, N.O.S.	1.09	3.03	.98	2.75	.90	2.55
▲Washing, N.O.S.	.97	2.73	.94	2.65	.90	2.55
▲Magnetos and Parts, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Matches	.87	2.48	.87	2.48	.83	2.38
Medical Appliances (Apply Hospital Equipment)						
Millinery, N.O.S	.98	2.75	.94	2.65	.90	2.55
Mirrors, N.O.S	.87	2.48	.87	2.48	.83	2.38
Molds, N.O.S	.94	2.65	.94	2.65	.94	2.65
Not Otherwise Specified						
Non Hazardous	1.09	3.03	.98	2.75	.90	2.55
Hazardous	1.50	4.05	1.50	4.05	1.40	3.80
Notions, N.O.S	.98	2.75	.94	2.65	.90	2.55
▲Novelties, N.O.S.	.98	2.75	.94	2.65	.90	2.55
Oil, Lubricating	.87	2.48	.87	2.48	.83	2.38
Paint, N.O.S	.98	2.75	.94	2.65	.90	2.55
Paintings, Oil	1.50	4.05	1.50	4.05	1.40	3.80
Pajamas (Apply Dry Goods).						
Panties, Nylon (Apply Dry Goods).						
Paper Products:						
Cardboard boxed KD., LTL.	.83	2.38	.83	2.38	.75	2.18
▲ (Minimum 1800 cubic feet), TL					(1026.00 per trailer)	
Surface Coated.	.83	2.38	.83	2.38	.83	2.38
Not Otherwise Specified	.87	2.48	.87	2.48	.83	2.38
Pencils and Pens.	.87	2.48	.87	2.48	.83	2.38
Personal Effects.	1.27		1.09		.98	
Pharmaceutical Products, N.O.S	1.00	2.80	.94	2.65	.90	2.55
Phono Records	.98	2.75	.94	2.65	.90	2.55
▲Photo Goods, Motion Pictures, Projectors, Machines and Parts, N.O.S.	1.02	2.85	.96	2.70	.90	2.55
Piece Goods, unfinished, N.O.S.	.88	2.50	.88	2.50	.83	2.38
Pipe Fittings, N.O.S	.87	2.48	.87	2.48	.83	2.38
Plastic Products, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Plumbing Supplies and Materials, N.O.S	.88	2.50	.88	2.50	.83	2.38
Porcelainware, N.O.S	.87	2.48	.87	2.48	.83	2.38
Printed Matter, N.O.S	.87	2.48	.87	2.48	.83	2.38
▣Pulpboard, N.O.S.	.88	2.48	.88	2.48	.88	2.48
Radios and Parts, N.O.S.	.92	2.60	.89	2.53	.88	2.50
Razors and Blades	1.01	2.84	.96	2.70	.90	2.55
Refrigerated Cargo, N.O.S.	1.60	4.30	1.60	4.30	1.60	4.30
▣Resin, Synthetic Sheeting, N.O.S.		2.84		2.84		2.84
Rubber Scrap.	.87	2.48	.87	2.48	.83	2.38
Rubber or Rubber Goods, N.O.S.	.87	2.48	.87	2.48	.83	2.38
▲Rugs or Carpets, N.O.S.	.91	2.58	.89	2.53	.83	2.38
▣Safes, N.O.S.	1.09	2.03	1.09	3.03	1.09	3.03
Sofas, N.O.S	1.01	2.84	.96	2.70	.90	2.55
▲Scales not Scientific, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Shoes and Slippers.	.75		.75		.75	
Sl[illegible]	.97	2.73	.94	2.65	.90	2.55

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1

Outward Section — (VALENCIA BAXT EXPRESS, INC. SERIES)

CONSOLIDATED EXPRESS, INC.

COMMODITY RATES

In Dollars and Cents as Shown

COMMODITY	Less than 100 cubic feet or 3600 pounds		From 100 cubic feet to and including 199 or 3600 pounds to and including 7199 pounds		Over 200 cubic feet or 7200 pounds	
	Per Cu. Ft.	Per 100 Lbs	Per Cu. Ft.	Per 100 Lbs	Per Cu. Ft.	Per 100 Lbs.
Shoe Parts, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Silverware and Plateware, N.O.S.	1.41	3.83	1.30	3.55	1.20	3.30
Skates	1.09	3.03	1.09	3.03	1.09	3.03
Skis		3.55		3.55		3.30
Sporting Goods, N.O.S.	.92	2.60	.89	2.53	.88	2.50
Stationery, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Statuary	.98	2.75	.94	2.65	.90	2.55
Cardboard or Plaster	1.09	3.03	.98	2.75	.90	2.55
N.O.S.		3.00		3.00		2.75
Steel, N.O.S	.87	2.48	.87	2.48	.83	2.38
Steel Shelving	.92	2.60	.89	2.53	.88	2.50
▲Stoves and Parts, N.O.S						
Suitcases, (See Luggage).		3.00		3.00		2.75
Tacks and Nails.	.87	2.48	.87	2.48	.83	2.38
Tables, Sewing	.92	2.60	.89	2.53	.88	2.50
▲Television Sets and Parts, N.O.S	1.09	3.03	.98	2.75	.90	2.55
Thermometers						
▲Thread, N.O.S	.88	3.90	.88	3.90	.83	3.50
▲Toilet Preparations, N.O.S	1.00	2.80	.95	2.68	.90	2.55
Toys, N.O.S.	.87	2.48	.87	2.48	.83	2.38
Tools, Electric, pneumatic, hand.	1.01	2.84	.96	2.70	.90	2.55
▲Transformers, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Umbrellas.	.98	2.75	.94	2.65	.90	2.55
Umbrellas, Materials and Parts for Mfg, N.O.S.	.88	2.48	.88	2.48	.83	2.38
Valves, N.O.S.	.97	2.73	.94	2.65	.90	2.55
Wallets, Materials and Parts for Mfg, N.O.S.	.83	2.49	.83	2.49	.83	2.49
▲Wire, N.O.S.	1.01	2.84	.96	2.70	.90	2.55
Work Bits, N.O.S.	.87	2.48	.87	2.48	.83	2.38
▲Yarn, N.O.S	.83	2.38	.83	2.38	.77	2.23
Zippers, Materials for Mfg, N.O.S.	1.06	2.95	1.06	2.95	1.06	2.95

ISSUED July 14, 1965

EFFECTIVE August 16, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi President
P.O.Box 1375
San Juan, Puerto Rico

ONLY COPY AVAILABLE

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1

Original Page 12 — Homeward Section — (VALENCIA BAXT EXPRESS, INC. SERIES)

CONSOLIDATED EXPRESS, INC.

COMMODITY RATES ITEM 145
In Dollars and Cents as Shown

COMMODITY	Less than 100 cubic feet or 3600 pounds		From 100 cubic feet to and including 199 or 3600 pounds to and including 7199 pounds		Over 200 cubic feet or 7200 pounds	
	Per Cu.Ft.	Per 100 Lbs.	Per Cu.Ft.	Per 100 Lbs.	Per Cu.Ft.	Per 100 Lbs.
▲Aluminum Extrusions, NOS.	.79	2.28	.79	2.28	.79	2.28
Bassinets, Finished	.75	2.18	.75	2.18	.75	2.18
Batteries	.79	2.28	.79	2.28	.79	2.28
Binders	.77		.77		.77	
Bristleres and Accessories, N.O.S.	.75		.72		.69	
Cabinets, Iron or Steel	.73	2.13	.73	2.13	.73	2.13
Cellulose, N.O.S.	.82	2.35	.82	2.35	.82	2.35
Clocks, Electric	.75		.75		.75	
▲Coil Cords, NOS.	.77		.77		.77	
Electric Components, N.O.S	.82	2.35	.75	2.18	.75	2.18
Fans, N.O.S.	.82	2.35	.75	2.18	.75	2.18
Girdles	.75		.72		.69	
Gloves	.77		.72		.69	
Hair Dryers	.82	2.35	.75	2.18	.75	2.18
Handkerchiefs, Cotton	.95	2.68	.85	2.43	.85	2.43
Handkerchiefs, Linen	.95	2.68	.95	2.68	.95	2.68
Hosiery	.77		.69		.69	
▲Hospital Appliances, Supplies, NOS.	.83	2.38	.83	2.38	.83	2.38
▲Household Goods, used, not for resale, see Rule 130.	1.27	3.58	1.09	3.03	.98	2.75
▲Knitwear, NOS	.77		.69		.69	
Leather, Finished	.87	2.48	.87	2.48	.87	2.48
Leather Goods, N.O.S.	.83		.83		.83	
Leather Wallets	.79		.79		.79	
▲Linens, NOS	.95	2.68	.95	2.68	.95	2.68
Novelties	.98		.98		.98	
Not Otherwise Specified:						
Hazardous	1.50	4.05	1.50	4.05	1.50	4.05
Non Hazardous	.95	2.68	.95	2.68	.95	2.68
Paints	.75		.75		.75	
Paper Wallets	.79		.79		.79	
▲Plastic Products, NOS	.75		.75		.70	
▲Printed Matter, NOS	.98	2.75	.90	2.55	.83	2.38
▲Records, Phonograph	.98	2.75	.94	2.65	.90	2.55
Heaters, Electric, Unfinished	.82	2.35	.75	2.18	.75	2.18
▲Sportswear, NOS	.83		.77		.77	
Starters, Electric, Flourescent	.82	2.35	.75	2.18	.75	2.18
Tobacco, Chewing	1.00	2.80	1.00	2.80	1.00	2.80
Tobacco, Wrappers	1.00	2.80	1.00	2.80	1.00	2.80
(Service Charge for Clearing Bill of Lading at Custom House, New York $5.00)						
Transformers, N.O.S.	.82	2.35	.75	2.18	.75	2.18
Typewriters	.77		.72		.69	
▲Wood Products, NOS	.83	2.38	.83	2.38	.83	2.38
Wire, Copper, Insulated	.73	2.13	.73	2.13	.73	2.13
Wiring Devices, N.O.S.	.82	2.35	.75	2.18	.75	2.18
Yarn, Synthetic	.77		.69		.69	

Original, July 14, 1965

EFFECTIVE August 16, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS, INC. SERIES)

Original Page 13

CONSOLIDATED EXPRESS, INC.

RULES AND REGULATIONS

FREIGHT ALL KINDS

Item 150

Note 1 - Each shipment tendered under the following rates must move from one shipper to one consignee on one bill of lading.

Note 2 - Must be comprised of not less than three different commodities. The weight of any single commodity shall not exceed 70 per cent of the total mixed shipment.

COMMODITY RATES

In Dollars and Cents as Shown

	RATE	
	Per Cu.Ft.	Per 100 Lbs.
Freight All Kinds		
Up to 200 cubic feet	1.00	
From 201 to 500 cubic feet	.90	
From 501 to 999 cubic feet	.85	
Over 1000 cubic feet	.80	

TERRITORIAL APPLICATION:

FROM

NEW YORK, N.Y.

TO

Points and Places

in

Puerto Rico

EFFECTIVE August 16, 1965

Issued July 14, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375
San Juan, Puerto Rico

Petitioner's (CONEX) Exhibit "P-6".

FMC-F NO. 2
Cancels
FMC-F NO. 1
(VALENCIA BAXT EXPRESS INC. SERIES)

Original Page 14

CONSOLIDATED EXPRESS, INC.

RULES AND REGULATIONS

BILL OF LADING

Item 155

Consolidated Express, Inc.

Bill of Lading

(Short Form)

(Long Form)

ISSUED July 14, 1965

EFFECTIVE August 16, 1965

Issued By:
CONSOLIDATED EXPRESS, INC.
Rodolfo A. Catinchi, President
P.O. Box 1375
San Juan, Puerto Rico

.ONLY COPY AVAILABLE

Petitioner's (CONEX) Exhibit "P-7".

AGREEMENT, made this [illegible] day of December, 1954, between UNITED STATES FRENCH LEASING CORPORATION, a corporation organized under the laws of the State of New York and having its principal office at 60 Hudson Street, New York, N. Y. (hereinafter called "LEASING"),

and

[illegible] Bank Building,
360 - 12th Avenue,
New York, N. Y.

hereinafter called "CUSTOMER".

WITNESSETH:

In consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. LEASING hereby leases and CUSTOMER hereby hires, subject to the terms and conditions hereinafter set forth, the motor vehicles described in Schedule A hereof for the term of two (2) years commencing as soon as LEASING furnishes the said motor vehicles for operation hereunder, which shall be within a reasonable time. (When said vehicles are furnished, the date of the furnishing thereof will be filled in). This agreement shall continue thereafter from year to year upon the same terms, covenants and conditions, except as changed by amendments, unless either party hereto at least sixty (60) days prior to the expiration of the original term or any renewal term, shall give written notice to the other party of its desire not to renew and extend the same.

2. LEASING shall, at its own expense, have each vehicle duly licensed to comply with (a) the motor vehicle laws of the state in which said agreed vehicle is to be operated, (b) Federal Highway Use regulation.

3. LEASING shall, at its own expense, maintain each vehicle in good repair in all respects, and shall furnish all fuels, oils and lubricants necessary for operating and maintaining each vehicle.

(a) The equipment shall bear such marks or plates of identification as LEASING shall require and the same shall not be removed by the CUSTOMER and the CUSTOMER agrees to affix such signs, placards, labels or other insignia which may be required under any federal, state or local law, statute, rule, regulation or requirement governing the transportation of any commodities and the CUSTOMER acknowledges its sole responsibility therefor.

4. LEASING shall, at its own expense, furnish garage storage space, together with complete garage service, including oiling, greasing, cleaning, washing and all repairs and adjustments for each vehicle. If CUSTOMER shall garage any vehicle in garage other than one furnished by LEASING, CUSTOMER shall pay the cost of said garaging.

5. LEASING agrees to assume the liability of CUSTOMER with respect to third parties, exclusive of CUSTOMER'S agents and employees, for damages resulting from the operation of any vehicle while being operated pursuant to this agreement, in CUSTOMER'S usual course of business, as follows:

(a) For death of persons in excess of Three Hundred Thousand and 00/100 ($300,000.00) Dollars for the death of any one person, but not exceeding Three Hundred Thousand and 00/100 ($300,000.00) Dollars for any one accident; and for personal injuries to a stockholder in the first Ten Thousand and 00/100 ($10,000.00) Dollars of such loss and [illegible] above and in excess of [illegible] and 00/100 ($10,000.00) Dollars in the sum of [illegible]

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Petitioner's (CONEX) Exhibit "P-7".

PROPERTY DAMAGE

LEASING shall, at its own cost and expense, maintain fire insurance covering the equipment only. Notwithstanding that such policies of fire insurance are maintained by LEASING, it is expressly understood and agreed between the parties hereto that LEASING shall have no liability or responsibility whatsoever for any damage resulting, but not limited to, water damage, to destruction or loss of, the cargo carried by, or contained in, the equipment, irrespective of whether such loss or destruction arises from fire, theft or other casualty. If CUSTOMER shall elect to secure the aforesaid policies of fire and theft insurance, all such policies shall carry an endorsement naming LEASING as an insured or shall contain a waiver of subrogation against LEASING.

(c) If the CUSTOMER elects to secure public liability and property damage insurance (in amounts and with companies satisfactory to LEASING), CUSTOMER shall furnish LEASING with certificates evidencing such insurance and all such policies shall either name LEASING as an insured or contain a waiver of subrogation against LEASING.

COOPERATION IN ACCIDENT CASES

5. LEASING shall, at its own expense, defend any and all actions or other proceedings for damages commenced against CUSTOMER for or upon any claim covered by the liability assumed by LEASING herein. The following provisions are express conditions upon, and are of the essence of the liability of LEASING assumed herein: (a) That CUSTOMER promptly notify LEASING in writing of all accidents or collisions, giving full and complete details thereof; (b) That CUSTOMER promptly deliver to LEASING every paper, letter, summons, document and notice whatsoever served upon or received by CUSTOMER or its agents in any claim, action, suit or proceeding commenced or threatened to be commenced against CUSTOMER, and covered by the liability herein assumed by LEASING; (c) That CUSTOMER, its chauffeurs, agents and employees, cooperate faithfully with LEASING in every way within CUSTOMER'S power in the prosecution, defense and investigation of claims, suits, actions and proceedings covered by the liability assumed herein by LEASING, and suits, actions and proceedings for the recovery of damages to the vehicles furnished hereunder, caused by the negligence of third parties; (d) That CUSTOMER shall not voluntarily assume any liability or incur any expense or settle any claim, except at its own cost, without the written consent of LEASING previously given. Nothing in this clause shall be construed to oblige LEASING to assume responsibility for any claim for death, personal injury or property damage arising out of any assault, battery or fight, in which an employee of CUSTOMER engages.

REPAIRS AND SUBSTITUTION

7. In the event that any vehicle shall be disabled for any reason, CUSTOMER shall forthwith notify LEASING thereof. Thereupon LEASING, at its expense, and within a reasonable time after receipt of it of such notice, shall either repair said vehicle or substitute a vehicle of similar capacity in place of the disabled vehicle until said disabled vehicle is repaired. Such substitute vehicle shall be subject to all terms and provisions of this agreement while in CUSTOMER'S service. CUSTOMER agrees that its chauffeurs shall not operate any vehicle with a flat tire or any tire not containing sufficient air pressure to prevent damage thereto. CUSTOMER agrees to be responsible for damage to any vehicle furnished hereunder, if caused by the negligence of CUSTOMER or CUSTOMER'S chauffeurs.

CHAUFFEUR

8. CUSTOMER shall, at its own expense, cause each vehicle to be operated at all times by a licensed chauffeur (which shall be of the essence of this Agreement), selected by and under the direction and control of and to be paid by CUSTOMER. CUSTOMER shall cooperate with LEASING in enabling each chauffeur to operate each motor vehicle carefully. CUSTOMER, upon receipt of a written complaint from LEASING, specifying any recklessness, careless or improper handling of a vehicle, or other incompetence or improper conduct by any chauffeur, shall, forthwith remove such chauffeur and substitute a competent chauffeur in his place. CUSTOMER agrees to comply with the laws for providing Workmen's Compensation for its chauffeurs and to indemnify and hold LEASING harmless against any and all claims and suits that might be brought against LEASING by the CUSTOMER'S chauffeurs, agents or employees, arising out of or in any way connected with the operation under this Agreement.

(d) All drivers shall be instructed by the CUSTOMER concerning the safety regulations of the Interstate Commerce Commission and [illegible]

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Petitioner's (CONEX) Exhibit "P-7".

[illegible] CUSTOMER [illegible] responsible for and pay all fines and penalties which may be [illegible] operation of [illegible] in connection with the [illegible] of the equipment by the agents, servants and employees of CUSTOMER.

(c) LEASING shall at all reasonable times have full access to the equipment and at all times for the purpose of inspection and to check the condition of the equipment.

FUEL AND CHARGES

9. CUSTOMER shall pay all operating expenses of chauffeurs, including telephone and license charges, ferry, bridge and tunnel tolls, and all fines and penalties for violation of highway traffic laws or on account of overloading and vehicle beyond its rated service capacity. CUSTOMER shall be responsible to LEASING for any damage caused to a vehicle by such overloading and for any damage sustained by LEASING if any vehicle is used by CUSTOMER for illegal purposes.

DAYS OF USE

10. CUSTOMER agrees that each vehicle shall be used on the following days of the week exclusively:

CUSTOMER further agrees that each vehicle shall be used exclusively in the usual course of CUSTOMER'S business and in the State(s) of

(a) CUSTOMER represents and warrants that the equipment will be used solely for the transportation of commodities which CUSTOMER owns, and only within the scope and in furtherance of CUSTOMER'S primary business enterprise (which CUSTOMER represents and warrants is not transportation). It being expressly understood and agreed that LEASING does not and will not undertake or agree to provide any transportation services of any kind or nature whatsoever for the CUSTOMER.

(b) The equipment shall be under the sole exclusive and absolute direction and control of CUSTOMER at all times.

MILEAGE CHECK

11. LEASING, upon the request of CUSTOMER, shall furnish each week to CUSTOMER a complete check-up on the time chauffeurs leave and return to LEASING'S premises, together with the mileage readings for each vehicle on leaving and returning including the number of miles run. CUSTOMER shall cause its chauffeurs to sign the aforesaid record daily. Original and carbon LEASING shall furnish CUSTOMER an original copy of the aforesaid record, which if not disputed or contested by CUSTOMER, within five (5) days after receipt by CUSTOMER of such record, shall be conclusive evidence of the amount due by CUSTOMER to LEASING for the "Mileage Charge", as provided in Exhibit A hereof. In the event, however, that the mileage recorder of any vehicle fails to function, thereby rendering unavailable a mileage record for said vehicle, the mileage for any day or days when the vehicle was operated shall be ascertained by computing the daily average mileage of said vehicle based on the previous twenty days of recorded mileage and multiplying the daily average so computed by the number of days, or day, or portions of a day during which the mileage recorder of said vehicle failed to function.

STRIKES OR EMERGENCY

12. Delay or failure of LEASING in furnishing vehicles as herein provided, or delay in the course of transportation, loading or delivery by LEASING are excused when caused by strike, accident, lockout, labor trouble, fire, accident, Act of God or of the Government or of the public enemy, or by cause unavoidable or beyond the control of LEASING. In the event of such occurrence, CUSTOMER shall be at liberty to hire vehicles from other sources, but LEASING shall not be liable for any losses or extra expenses which CUSTOMER shall be obliged to pay as a result thereof. During such time CUSTOMER shall not be charged with any vehicle which LEASING is unable to furnish on account of any of the above causes.

13. Notwithstanding anything else contained in this Agreement, LEASING may [illegible] on thirty (30) days' written notice to CUSTOMER, adjust the rates provided for herein to reflect increase in costs [illegible] directly or indirectly [illegible] or future Federal, State or City laws, [illegible] with any [illegible] by [illegible]

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Petitioner's (CONEX) Exhibit "P-7".

...ITS

If such adjustment is not acceptable to CUSTOMER, CUSTOMER shall give written notice of rejection within ten (10) days after receipt of notice from LEASING of the proposed adjustment. If, prior to the effective date of said adjustment, the parties cannot agree in respect thereof, LEASING may, on written notice given prior to such effective date, terminate this Agreement.

DEFAULT

14. If CUSTOMER shall fail to ... rent, or other charges, in the amount and manner provided for by LEASING from time to time, or in the event of a breach by CUSTOMER of any of the provisions or any of the obligations undertaken by it pursuant to the terms hereof, or in the event that CUSTOMER or any thereof refuses, or informs LEASING that it shall refuse to continue operations under this Agreement, then and in any of said events, LEASING shall have the right, at its election, at any time thereafter, to give notice terminating this Agreement, and upon the giving of such notice this Agreement shall terminate forthwith and LEASING shall immediately have the right:

(a) To take or retain possession of, or to refuse to deliver to CUSTOMER, the leased vehicles and remove the same, and for that purpose to enter any premises where the same shall be without liability to any suit, action, defense or other proceedings by CUSTOMER, and after obtaining possession of said leased vehicles to hold or otherwise use, sell, ... otherwise dispose of them, or keep them idle, severally or entirely, as LEASING shall elect, such choice by LEASING to have no effect upon CUSTOMER'S liability under this Agreement; or

(b) If CUSTOMER, or its agents, shall fail to, or refuse to deliver, or shall convert, or destroy any of the leased property, LEASING shall have the right, as an alternative in place of subdivision "(a)" hereof, and in addition to such other remedies as are available to it hereunder, to hold CUSTOMER and its said agents liable for the value of said withheld or destroyed property.

BANKRUPTCY

15. If CUSTOMER, at any time during the term hereof, shall file a petition in bankruptcy or be adjudicated a bankrupt, or be unable to meet its obligations, or make an assignment for the benefit of creditors, or make application for an arrangement or for reorganization, or take any steps to terminate its existence, LEASING may, at its election, immediately terminate this agreement forthwith without any further act or notice thereof to CUSTOMER, without prejudice to any rights, claims or remedies LEASING may have against CUSTOMER hereunder.

REMEDIES FOR BREACH OF CONTRACT

16. Upon the termination of this Agreement pursuant to Paragraphs "14" or "15" LEASING, in addition to the right to repossess the demised vehicles, shall be entitled to damages, herein liquidated for all purposes including claims and/or suits against CUSTOMER'S assets in bankruptcy or reorganization, if any, as follows:

(a) The sum of all rents due and unpaid from the date of the execution of this Agreement to the date of termination; and

(b) The sum of all the rents which would have become due under the normal operation of this Agreement from the date of said termination to the date of its otherwise stated termination, including any effective renewal period; less

(c) The reversional value of said motor vehicles which is hereby agreed upon as fifty (50%) per cent of the sum of such Rental Charges as are set forth in Item "(b)" of this paragraph.

In arriving at said liquidated damages, the parties hereto have considered, among other factors, LEASING'S substantial initial investment in purchasing or reconditioning for CUSTOMER'S service the leased motor vehicles, the uncertainty of LEASING'S ability to re-rent the said vehicles, the loss to LEASING during any period the vehicles may remain idle unrented, or if sold, the uncertainty of the sales price and its possible attendant loss. The parties have also considered, among other factors, in so liquidating the said damages, LEASING'S saving in expenditures for gasoline, oil and other service items.

17. Nothing contained in this Agreement shall affect LEASING'S right to claim against any

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Petitioner's (CONEX) Exhibit "P-7".

[illegible] for, shall not [illegible] 19" and "19".

18. The failure of either party to insist upon a strict performance of any of the terms, conditions or covenants herein, shall not be deemed a waiver of any rights or remedies that said party may have, and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions or covenants herein.

19. This Agreement shall bind and inure to the benefit of the parties hereto, their successors, legal representatives and assigns, but CONSIGNEE shall have no right to assign, transfer, mortgage, or otherwise encumber this Agreement, without the written consent of the CONSIGNOR.

20. This Agreement shall be construed under and in accordance with the laws of the State of New York.

21. Except as otherwise herein provided, whenever notice is required hereunder, the same shall be given in writing by certified mail, at the addresses set forth above or at such other addresses as the parties may hereafter designate in

IN WITNESS WHEREOF, the Parties hereto have hereunto set their hands and seals and caused their corporate names and seals to be affixed the day and year first above written.

Witness:

[illegible] STATES TRUCK LEASING CORPORATION

Witness:

By: [illegible]

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Petitioner's (CONEX) Exhibit "P-7".

[illegible] shall [illegible] the use, [illegible] motor vehicles [illegible] leased, a [illegible] contract of a "Flat Rental Charge" per week, payable independently of the use of the vehicle, which charge shall include a "Weekly Mileage Allowance", plus a charge for mileage operated in excess thereof. The sum to be paid for each motor vehicle [illegible], and as more particularly described in Endorsement B, shall be as follows:

MODEL OF VEHICLE [illegible]	MANUFACTURER	CAPACITY	FLAT RENTAL CHARGE PER WEEK EACH VEHICLE	WEEKLY MILEAGE ALLOWANCE	CHARGE PER [illegible] EXCESS MILE
[illegible] (2)	_____	16,000#	$[illegible].00	275 Miles	$ [illegible]
[illegible]	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

TAXES

The rate for the use of the motor vehicles herein leased is exclusive of any sales use, [illegible] (except Federal Highway Use Tax) or excise tax now in force or hereafter imposed, and the CUSTOMER agrees to pay in addition to the rate [illegible], the amount of any such [illegible] other new or additional taxes that may be imposed on the operation of said motor vehicles or services hereunder, or any increase in existing taxes including license, registration fees and highway use taxes.

PAYMENTS

Bills will be rendered and paid weekly. Promptness in making the payments provided for hereunder is of the essence of this Agreement.

FUEL ADJUSTMENT

The rate charged in the schedule [illegible] this Endorsement is calculated upon a New York Consumers Tank Wagon price for gasoline of.....¢ per gallon, plus taxes on gasoline of..... per gallon.

For each 1¢ increase in the combined New York Consumers Tank Wagon price of gasoline and gasoline taxes, averaged weekly, CUSTOMER shall be charged additional as follows:

	Additional Gasoline Charge per week each vehicle on "Flat Rental Charge"	Additional Gasoline Charge per mile each vehicle on "Mileage Charge"
Vehicles of capacity up to 8,000 lbs.		
Vehicles of capacity over 8,000 lbs. up to 16,000 lbs.		
Vehicles of capacity over 16,000 lbs. up to 32,000 lbs.		
Vehicles of capacity over 32,000 lbs.		

Any such additional Gasoline Charge due by CUSTOMER to LESSOR shall be subject to [illegible] in the same manner and at the same time as "[illegible]

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Petitioner's (CONEX) Exhibit "P-Z".

VEHICLE NUMBER	MANUFACTURE	CAPACITY	DESCRIPTION
[illegible]	[illegible]	16,000#	[illegible]
[illegible] will be constructed so that [illegible] will be used as [illegible]			
Two (2) [illegible] will be mounted [illegible]			
Trucks to be provided with [illegible]			

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Petitioner's (CONEX) Exhibit "P-8".

UNITED STATES TRUCK LEASING CORPORATION

66 MURRAY STREET, NEW YORK, N. Y. 10007

WORTH 2-4300

January 27, 1967

Mr. Roy Jacobs
Consolidated Express, Inc.
760 12th Ave.,
New York, N.Y. 10019

Dear Roy:

This letter will confirm the following:

We will place into your service 2 - 20' used International Trucks. These trucks are closed cargo trucks equipped with automatic tail lifts and also have roll up rear doors.

The rate for these units will be - $92.50 ea. per week.

These units will replace the 2 - 18' trucks which you presently have under contract with us. The conditions of the contract that you now have in force will apply to these two units.

Extra trucks will be at the rate of $17.50 per day.

These trucks are now being painted and will be put into service as soon as same has been accomplished.

This letter is an amendment to our present contract. If all of the above is acceptable to you, kindly sign and return one copy of this letter.

Thanking you, I remain

Sincerely,

Percy Marcus

Percy Marcus
Vice President

ACCEPTED:
CONSOLIDATED EXPRESS, INC.

By_____

Petitioner's (CONEX) Exhibit "P-9".

55-80 47th Street
Maspeth, N.Y. 11378
212-366-8100

consolidated express inc.

FMC No. 1155

AFFIDAVIT OF RICHARD A. ROBINSON

County of Queens)
) ss:
State of New York)

I, Richard A. Robinson, having been first duly sworn, do depose and say:

1.- I am a vice-president of Consolidated Express, Inc., a company engaged in the consolidation and forwarding of freight between the ports of New York, N.Y., and San Juan, Puerto Rico, with offices at 55-80 forty-seventh street, Maspeth, N.Y. 11378

2.- Since mid-March 1973, the ILA and three steamship companies have enforced, with increasing severity, certain containerization rules contained in their labor contract and as modified at the Dublin-CO-NASA meeting in January of 1973

3.- The following figures present a comparison of approximate gross revenue of Consolidated Express during the months of March to July, 1972, and March to July, 1973

	1972	1973
March	$353,794	$322,259
April	260,522	224,443
May	277,394	177,932
June	258,992	224,517
July	251,851	151,945

4.- The following presents a comparison of approximate total cubic feet shipped by Consolidated Express in the months March to July 1972 and March to July 1973

Sabana Gardens, Industrial Park, La Ceramica, Carolina, P.R.
G.P.O. Box 2080, San Juan, P.R. 00936, 809-768 5050

1721 Franklin Street, P.O. Box 3295, Jacksonville, Fla. 32206 904-354-1400

1000 So. East 11th Street, P. O. Box 37, Hialeah, Florida 33140 305 [illegible] 3451

Petitioner's (CONEX) Exhibit "P-9".

55-80 47th Street
Maspeth, N.Y. 11378
212-366-8100

consolidated express inc.

FMC No. 1155

1721 Franklin Street, P.O. Box 3295, Jacksonville, Fla. 32206 904-354-1400

900 So. East 11th Street, P. O. Box 37, Hialeah, Florida 33010 305-888-3451

-page #2-

	1972	1973
March	240,778	242,596
April	184,115	150,609
MAY	191,991	119,863
June	178,587	147,971
July	169,803	93,813

5.- Approximate profit and loss figures for the most recent fiscal quarter of 1973 are presented below

	Revenue	Expenses	Loss
April	$224,443	$239,531	($15,088)
May	177,932	206,764	(28,832)
June	224,517	250,934	(26,417)
Total	$626,892	$697,229	($70,337)

6.- Upon information and belief, the net loss incurred by Consolidated Express during the month of July will be approximately $45,000

7.- As a result of the disruption in service caused by either the refusal of the steamship carriers to provide containers or the stuffing and stripping thereof, Consolidated Express has lost numerous customers and is continuing to lose such customers.

8.- Upon information and belief, it may not be possible for Consolidated Express to meet its weekly payroll as of August 10th 1973

9.- As a result of the containerization rules referred to above

Sabana Gardens, Industrial Park, La Ceramica, Carolina, P.R.
G.P.O. Box 2080 San Juan P.R. 00936 809-768-5050

Petitioner's (CONEX) Exhibit "P-9".

55-80 47th Street
Maspeth, N.Y. 11378
212-366-8100

consolidated express inc.

FMC No. 1155

-page #3-

Consolidated Express has suffered grievous and irreparable hARm and if such rules continue to be enforced, it is highly likely that Consolidated Express will be compelled to go out of business within the next fifteen to twenty days.

Richard A. Robinson

Dated: AUG 6 -1973 (Sworn to by Richard A. Robinson, August 1, 1973)

STATE OF NEW YORK
COUNTY OF NEW YORK
SWORN TO BEFORE ME THIS
AUG 8 - 1973

ISIDORO PEDRAZA
Notary Public, State of New York
No. 41-8313550
Qualified in Queens County
Certificate filed in New York County
Commission Expires March 30, 1974

Witnessed by:

1000 So. East 11th Street, P. O. Box 37, Hialeah, Florida 33148 305-888-3451

1721 Franklin Street, P.O. Box 3295, Jacksonville, Fla. 32206 904-354-1400

Petitioner's (CONEX) Exhibit "P-10".

CONSOLIDATED EXPRESS, INC.

San Juan, P. R.

FINANCIAL STATEMENTS

March 31, 1972

Petitioner's (CONEX) Exhibit "P-10".

MEMBER OF
NATIONAL SOCIETY
OF
PUBLIC ACCOUNTANT
PUERTO RICO INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION
OF ACCOUNTANTS

BARTOLO RIVERA PEREZ
CERTIFIED PUBLIC ACCOUNTANT
70 WEST MENDEZ VIGO ST. - 3RD. FLOOR
MAYAGUEZ, P. R. 00708

P. O. Box 606

TELS. 832-0135
832-6023

May 6, 1972

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To the Board of Directors of
Consolidated Express, Inc.
Box 2080
San Juan, Puerto Rico

Dear Sirs:-

In accordance with our agreement, I have made an examination and audit of the books of accounts and other financial records of your business, for the year ended on March 31, 1972 and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matter checked and reviewed.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnish the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

Bartolo Rivera Pérez-CPA

BRP/crc

Petitioner's (CONEX) Exhibit "P-10".

MEMBER OF:
NATIONAL SOCIETY
OF
PUBLIC ACCOUNTANT
PUERTO RICO INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
NATIONAL ASSOCIATION
OF ACCOUNTANTS

BARTOLO RIVERA PEREZ
CERTIFIED PUBLIC ACCOUNTANT
70 WEST MENDEZ VIGO ST. - 2nd. FLOOR
MAYAGUEZ, P. R. 00708

P. O. BOX 608
TELS. 832-0135
832-0013

May 6, 1972

Mr. Rodolfo A.Catinchi, President
Consolidated Express, Inc.
Box 2080
San Juan, Puerto Rico

Dear Mr. Catinchi:-

Enclosed please find comparative schedules of operations in Puerto Rico and incomes statement for the fiscal years ended on March 31, 1971-72.

The data included in these statements and schedules are not considered necessary for a fair presentation of the financial position and results of operations, and is presented primarily for supplemental analysis purposes. This additional information has been subjected to the audit procedures applied in the examination of the principal financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Cordially yours,

Bartolo Rivera Perez-CPA

BRP/crc

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Petitioner's (CONEX) Exhibit "P-10".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
——ooOoo——

I N D E X

Contents	Page No.
AUDITOR'S LETTER	1
I N D E X	2
HISTORY AND ORGANIZATION	3
SCOPE OF MY EXAMINATION	3
O P I N I O N	4
BALANCE SHEET "EXHIBIT A"	5
INCOME STATEMENT "EXHIBIT B"	6-7
STATEMENT OF CHANGES IN FINANCIAL POSITION. "EXHIBIT C"	8
NOTES TO FINANCIAL STATEMENTS:-	
BALANCE SHEET:-	
Note #1 - Cash on hand and in Banks	9
Note #2 - Accounts Receivable - Trade	9
Note #3 - Prepaid Expenses	9
Note #4 - Property & Equipment	9-10
Note #5 - Notes Payable	10
Note #6 - Accrued Expenses Payable.	11
Note #7 - Withholdings & Payroll Taxes.	11
Note #8 - Dividends Payable	11
Note #9 - Accumulated Loss from Operations	12

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Petitioner's (CONEX) Exhibit "P-10".

CONSOLIDATED EXPRESS, Inc.
San Juan, P. R.
——ooOoo——

HISTORY AND ORGANIZATION

This corporation was organized under the laws of the Commonwealth of Puerto Rico and registered in the Secretary of State on April 1, 1965 under registration number 14,336.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

They began operations with an authorized capital stock of $300,000.00 subdivided into 3,000 common shares of $100.00 par value each of which 2,050 shares have been issued and as of the date of this report are distributed among the following shareholders.

Name	Address	Shares	Par Value
Rodolfo A. Catinchi	Box 2080- S/Juan, PR	988	$ 98,800.00
Roy M. Jacobs	760 12th Ave., N.Y.	988	98,800.00
Ginette Catinchi	Box 2080- S/Juan, PR	37	3,700.00
Harriet A. Jacobs	760 12th. Ave., N.Y.	37	3,700.00
Total Capital Stock Issued and Outstanding		2,050	$ 205,000.00

The officers and directors of this corporation and their expiration date are as follow.-

Name	Position	Term Expires
Rodolfo A. Catinchi	President	April 30, 1973
Roy Jacobs	Vice-President	April 30, 1973
Roy Jacobs	Treasurer	April 30, 1973
Ginette Catinchi	Secretary	April 30, 1973

Its main and official office is located at Urbanización Villa Caparra at No. 18 C Street, Guaynabo, P.R., but the warehouse, accounting and executive offices are located at Ceramic Industrial Garden of Carolina, Puerto Rico.

SCOPE OF MY EXAMINATION

My examination was directed primarily to a verification of the Balance Sheet of the corporation, as of March 31, 1972 and to a general review of the results from operations and changes of financial position for the year then ended.

Petitioner's (CONEX) Exhibit "P-10".

O P I N I O N

I have examined the Balance Sheet of CONSOLIDATED EXPRESS, INC. as of March 31, 1972, and the related statements of Income and Changes in Financial Position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying Balance Sheet, Income and Changes in Financial Position statements present fairly the financial situation of CONSOLIDATED EXPRESS, INC. at March 31, 1972, the results of its operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 5th. day of May 1972.

Bartolo Rivera Perez - C.P.A.
Lic. 1214 - Expires 12/-/72

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Petitioner's (CONEX) Exhibit "P-10".

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"EXHIBIT A"

LIABILITIES & STOCKHOLDER'S EQUITY

	1972	1971
CURRENT LIABILITIES:-		
Accounts Payable:-		
Trade	$ 378,411.63	$ 307,019.04
C.O.D.	1,001.32	-0-
Others	192.00	-0-
	$ 379,604.95	$ 307,019.04
Notes Payable-Port. due within 1 year - Note #5	$ 336,219.62	$ 239,776.90
Accrued Expenses Payable -Note #6	50,183.39	48,538.56
Withholdings and Payroll Taxes -Note #7	11,989.63	9,225.36
Dividends Payable - Note #8	169.13	169.13
Total Current Liabilities	$ 778,166.72	$ 604,728.99
LONG TERM LIABILITIES:-		
Notes Payable -Port. due after 1 year - Note #5	$ 76,597.06	$ 90,208.46
Total Long Term Liabilities	$ 76,597.06	$ 90,208.46
Total Liabilities	$ 854,763.78	$ 694,937.45
STOCKHOLDER'S EQUITY:-		
Authorized Capital Stock- 3,000 Common Shares of $100.00 Par Value Each; Issued and Outstanding	$ 205,000.00	$ 205,000.00
Deduct -Accumulated Loss from Operations-Note #9	85,241.92	103,091.80
Stockholder's Equity	$ 119,758.08	$ 101,908.20
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 974,521.86	$ 796,845.65

are an integral part of this statement.

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Petitioner's (CONEX) Exhibit "P-10".

CONSOLIDATED EXPRESS, INC.
San Juan, P.R.
---oooOooo---

"EXHIBIT P-10"

INCOME STATEMENT
For Years Ended on March 31,
---oooOooo---

	1972	1971
REVENUE FROM SALES:-		
South Bound	$ 2,194,874.31	$ 1,797,139.27
North Bound	402,537.47	486,976.32
Agency Commissions.	250,081.48	164,789.48
Cartage	328,076.49	220,233.75
Consolidation Barker.	4,512.18	
Gross Revenue from Sales	$ 3,180,081.93	$ 2,669,...
LESS COST OF OPERATIONS:-		
Direct Cost:-		
Application of Costs in Puerto Rico	$ 785,829.43	$ 639,641.36
Marine Insurance	26,436.49	23,213.17
Marine Freight - South Bound.	859,721.79	713,704.94
Marine Freight - North Bound.	153,730.39	204,655.04
Marine Freight - Virgin Island.	14,785.80	4,286.79
Inland Freight	157,852.86	129,038.77
Cartage	163,612.21	117,789.20
Cargo Claims.	6,527.62	13,636.80
Commissions to Agents	204,475.00	202,400.00
Handling -South Bound	283,316.11	190,129.00
Handling -North Bound.	66,477.39	55,...
Handling -Barkers Shipments.	2,280.00	-0-
Rental of Transportation Equipment.	30,037.47	20,...
Total Direct Cost	$ 2,755,072.55	$ 2,...
Sales & Promotion:-		
Application of Costs in Puerto Rico.	$ 64,...	$ 65,379....
Soliciting and Entertainment	15,077.36	19,225....
Traveling Allowances	1,...	3,...
Advertising.	200.00	200.00
Auto Expenses	6,101.50	6,336.70
Total Cost of Sales and Promotion..	$ 90,...	$ 90,...
Financing Cost:-		
Application of Costs in Puerto Rico.	$ 19,212.04	$ 15,...
Bank Charges.	219.98	376....
Total Financing Cost	$ 19,...	$ 15,...

- Cont. on next page -

Petitioner's (CONEX) Exhibit "P-10".

INCOME STATEMENT (Cont.)

	1972	1971
REVENUE FROM SALES:-		
Gross Revenue from Sales - Brought Forward	$ 3,180,081.93	$ 2,669,119.91
LESS COST OF OPERATIONS:-		
Direct Cost - Brought forward	$ 2,755,072.56	$ 2,401,710.15
Sales & Promotion - Brought forward	$ 90,511.57	$ 90,580.42
Financing Cost -Brought Forward	$ 19,132.02	$ 15,[illegible]
Administrative Overhead:-		
Application of Cost in Puerto Rico	$ 232,424.21	$ 259,731.29
Office Expenses	4,001.20	8,637.10
Stationery & Supplies	160.07	79.15
Telephone and Telegrams	13,574.00	10,287.12
Legal Expenses	3,159.56	5,128.00
Dues & Subscriptions	366.55	586.63
Contributions and Gifts	968.50	410.00
Miscellaneous	-0-	19.36
Depreciation	611.87	611.87
Total Administrative Overhead	$ 304,265.96	$ 285,486.57
Total Cost of Operations	$ 3,169,282.11	$ 2,793,226.31
Net Profit or (Loss) from Operations	$ 10,799.82	$ (124,107.02)
OTHER INCOMES:-		
Adjustments of Prior Years	$ 1,935.28	$ -0-
Miscellaneous Incomes	10,160.39	60.23
Uncollected Checks	-0-	1,240.27
Total Other Incomes	$ 12,095.67	$ 1,300.52
OTHER DEDUCTIONS:-		
Adjustments of Prior Years	-0-	420.17
Loss on Disposal of Equipment	10.75	-0-
Net Other Incomes Less Other Deductions	$ 12,051.92	$ 880.35
NET PROFIT OR (LOSS) FOR THE YEAR	$ 22,851.74	$ (123,226.67)

Notes to financial statements are an integral part of this statement.

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Petitioner's (CONEX) Exhibit "P-10".

-8-

CONSOLIDATED EXPRESS, INC.
San Juan, P.R.
——ooOoo——

"EXHIBIT C"

STATEMENT OF CHANGES IN FINANCIAL POSITION
For Years Ended on March 31, 1972 & 1971
——ooOoo——

	1972	1971
SOURCE OF FUNDS:-		
From Operations:-		
Net Profit or (Loss) for the Years	$ 22,854.74	$ (123,226.67)
Add -Expenses, requiring no cash outlay:-		
Depreciation and Amortization	130,421.69	94,291.78
Funds Provided From Operations	$ 153,276.43	$ (28,934.89)
Decrease in Advances in New Building	-0-	700.00
Property Written-Off books of Accounts	16,231.21	43,400.00
Decrease in Deposits and Bonds	1,131.04	
Decrease in Deposits for Purchase of Equipment	714.00	
Increase Long Term Liabilities		56,140.76
Total Funds Provided	$ 171,352.68	$ 71,306.27
FUNDS APPLIED:-		
For the Acquisition of Property Equipment	$ 249,299.76	$ 159,581.75
To Decrease Long Term Liabilities	13,611.40	
To Pay Premium of Key Employees Policy	24,417.51	23,638.69
To Increase Prepaid Taxes	799.04	1,061.06
To Increase Prepaid Workmen Compensation Insurance	2,520.81	1,905.58
Depreciation Written-Off Books of Accounts	9,178.46	43,400.00
To Increase Deposits and Bonds	-0-	2,271.04
Deposits for Purchase of Equipment	-0-	714.00
To Pay Dividends	-0-	169.13
To Decrease Other Liabilities	-0-	1,240.00
Total Funds Applied	$ 299,826.98	$ 234,981.25
Increase or (Decrease) in WorkingCap. Deficit	$ 128,474.30	$ 162,675.25
Deficit in Working Capital at the Beg. of Year	163,550.71	875.46
Deficit in Working Capital at the End of the Year	$ 292,025.01	$ 163,550.71
CHANGES IN WORKING CAPITAL:-		
Increase or (Decrease) in Current Assets:-		
Loan to Other Companies	$	$ (7,700.00)
Cash on hand and in banks	(27,781.28)	13,440.58
Accounts Receivable	78,658.95	37,371.21
Prepaid Expenses	(5,914.10)	14,145.29
Increase or (Decrease) in Current Assets	$ 44,963.57	$ 57,257.08
Decrease or (Increase) in Current Liabilities:-		
Accounts Payable	$ (72,585.91)	$ (63,755.50)
Notes Payable	(96,442.66)	(159,601.84)
Accrued Expenses Payable	(1,645.03)	(10,953.00)
Withholdings & Payroll Taxes	(2,764.27)	12,843.66
Income Tax Liability	-0-	1,703.57
Dividends Payable	-0-	(169.13)
Decrease or (Increase) in Current Liabilities	$(173,437.87)	$ (219,932.24)
Increase or (Decrease) in Working Capital Deficit	$ 128,474.30	$ 162,675.25

The variation in Working Capital for previous year is due to reclasification made some items which originally were figured under current assets and during current year are presented under other assets caption. These are income tax overpayment and prepaid taxes and labor insurance which are non returnable.

Petitioner's (CONEX) Exhibit "P-10".

CONSOLIDATED EXPRESS, INC.
San Juan, P.R.

NOTES TO FINANCIAL STATEMENTS

	1972	1971
1- CASH ON HAND AND IN BANKS:-		
On Hand:-		
Petty Cash Fund	$ 1,410.00	$ 1,250.00
Funds In Transit (mail)		10,966.32
General Funds Pending Deposit		1,007.71
Total Cash on Hand	$ 1,410.00	$ 13,224.03
In Banks:-		
Bank of Commerce -N.Y. -Checking Account	$ 13,860.47	$
Chase Manhattan Bank -N.Y. -Check. Account	1,238.48	6,366.37
Bco. Popular de P.R. - San Juan -Check. Acct.	12,043.76	2,159.51
Banker Trust - N.Y. - Checking Account	7,678.17	
Bco. Cr. & Ahorro Ponceño- San Juan -Check. Acct.	19,114.23	55,809.07
Franklin National Bank -N.Y. -Check. Account	2,879.76	3,577.30
Total Cash in Banks	$ 56,814.87	$ 72,912.25
Total Cash on Hand and In Banks	$ 58,224.87	$ 86,136.28

2- ACCOUNTS RECEIVABLE - TRADE:-

Aging	1972 Amount	1972 Per Cent	1971 Amount	1971 Per Cent
1 to 30 days	$ 267,456.38	67.79%	$ 209,472.95	67.19%
31 to 60 days	75,803.30	19.21%	49,481.66	15.87%
61 to 90 days	19,239.04	4.88%	11,822.73	3.79%
Over 90 days	32,059.32	8.12%	41,600.00	13.35%
	$ 394,558.04	100.00%	$ 312,377.34	100.00%

3- PREPAID EXPENSES: -

	1972	1971
Insurance Premium	$ 14,821.32	$ 5,521.20
Interests	9,873.50	25,221.12
Maintenance Contract	516.71	483.20
	$ 25,211.53	$ 31,225.52

4- PROPERTY & EQUIPMENT:-

PROPERTY	Balance on 3-31-71	Increase	Decrease	Balance on 3-31-72
Warehouse Equipment	$ 7,036.93	$ 1,968.49	$	$ 9,005.42
Autos & Trucks	377,194.37	245,206.80		622,401.17
Furn. & Fixtures -P.R.	27,[illegible]4.28	1,428.47	642.41	28,770.34
Furn. & Fixt.-Cust. P.R.	6,[illegible]11			6,219.11
Tools & Equipment	3,6[illegible].41			3,[illegible]
Total Property	$ 122.[illegible]2.10	$ 248,603.76	$ 642.41	$ [illegible]

-Cont. on next page -

Petitioner's (CONEX) Exhibit "P-10".

NOTES TO FINANCIAL STATEMENTS

(Cont.)

4- PROPERTY & EQUIPMENT:-

PROPERTY	Balance 3-31-72	Increase	Decrease	Balance 3-31-73
Total Property -B/Forward	$ 122,032.10	$ 248,[illegible]	$ 42.41	$ 369,993.[illegible]
DEPRECIATION				
Warehouse Equipment . . .	$ 3,911.69	$ 735.25	$	$ 4,646.94
Autos & Trucks	185,456.98	116,[illegible]		307,[illegible]
Furniture & Fixtures -FR	9,877.50	2,894.83	351.66	12,420.67
Furniture & Fixt.-Cits.FP	2,116.94	611.37		2,728.31
Tools & Equipment	1,677.90	364.73		2,042.63
Total Depreciation . .	$ 206,041.01	$ 129,383.04	$ 351.66	$ [illegible]
Book Value	$ 215,991.09			$ 340,821.[illegible]

DEPRECIATION & AMORTIZATION POLICY:-

Depreciation of Property & Equipment and Amortization of leasehold improvements have been provided for generally on the straight-line method, in amounts sufficient to amortize the cost of assets over their estimated useful lives and over term of lease. Depreciation and amortization expense was charged to the cost of operations for years 1971 and 1972 in the amount of $94,292.18 and $130,[illegible]21.69 respectively.

5- NOTES PAYABLE:-

PARTICULARS	Due within 1 year	Due after 1 year	1972	1971
Bco. Cr. & Ahorro - Demand	$ 30,000.00	$	$ 30,000.00	$ [illegible]
Bco. Cr. & Ahorro - Install.	8,070.50		8,070.50	27,[illegible]
Dat Corp. - On Equipment. .	77,155.44	71,[illegible]53.74	[illegible]46,309.18	
U.S. Ind. of P.R.-On Equip.	15,259.92	1,271.56	16,531.48	97,9[illegible]
Hausman & Bank	4,500.00		4,[illegible]00.00	54,000.00
Bankers Trust - Demand . .	43,700.00		43,700.00	20,000.00
U.S. Trucking -On Equipment	57,533.76	4,171.76	61,705.52	
Bank of Commerce -Demand	100,000.00		100,000.00	
Franklin Natl. Bank-Install.				6,62[illegible]
Franklin Natl. Bank-Demand				10,000.00
	$ 336,219.62	$ 76,547.03	$ [illegible]2,816.68	$ 329,[illegible]

- Cont. on next page -

Petitioner's (CONEX) Exhibit "P-10".

NOTES TO FINANCIAL STATEMENTS (Cont'd)

6- ADMIN EXPENSES PAYABLE: -

PARTICULARS	Account No.	1972	1971
Marine Freight - M/B -NY	50[illegible]-2	$ 754.13	$ 5,020.56
Gasoline & Oil	502-1	349.72	1,903.16
Truck Parts & Services	[illegible]-1	746.56	488.32
Office Maintenance	535-1	337.50	35.50
Telephone & Telegrams.	540-1	410.53	
Soliciting & Entertainment	543-1	34.27	485.23
Security Guard	[illegible]3-1	898.86	
Tires - Repaired	521-1	1,093.75	
Office Expenses.	537-1	107.12	1,253.99
Advertising	549-1	300.00	
Warehouse Expenses.	573-1	158.28	77.83
Rent - Ponce Office.	531-1	246.21	
Provision for Vacation	205-2	12,763.70	8,030.79
Provision for Sick Leave.	205-3	13,701.10	21,205.50
Provision for Employees Bonus....	209-1	6,549.38	5,167.41
Accrued Payroll	202-6	11,682.25	
Marine Freight -S/B -N.Y.	504-2		2,296.56
Marine Freight -Virgin Island.	506-2		310.01
Tools & Utensils	525-1		296.25
Office Repairs	534-1		64.10
Stationery Supplies	538-1		1,503.09
		$ 50,183.39	$ 48,538.36

7- WITHHOLDINGS & PAYROLL TAXES:-

	1972	1971
Income Tax Withheld	$ 3,[illegible]49.59	$ 2,[illegible]42.39
Union Dues Withheld	224.79	
Social Security	1,439.22	1,335.37
Drivers Social Security	351.20	276.80
Unemployment Compensation -State	4,[illegible]74.43	3,[illegible]77.80
Unemployment Compensation - Federal.	823.60	360.35
Disability Unemployment Insurance.	1,221.70	1,[illegible]93.82
	$ 11,938.63	$ 9,[illegible]86.35

8- DIVIDENDS PAYABLE:-

Shareholders	Shares Held	Percentage of Ownership	1972	1971
Rodolfo A. Cavinchi	900	.4817%	$ 43.41	$ 43.41
Roy M. Jacobs	900	.4817%	43.41	43.41
Simone Cavinchi	34	.0183%	36.26	36.26
Harriet A. Jacobs	34	.0183%	36.25	36.25
Shares Before Dividends	1868	100%	$ 169.13	$ 169.13

Petitioner's (CONEX) Exhibit "P-10".

[redacted] (Cont.)

	1972	1971
[redacted] ACCUMULATED LOSS FROM OPERATIONS:-		
Balance at the Beginning of the year	$ 108,096.66	$ -0-
Less Adjustment to Income Tax Overpayment	-0-	[redacted]
Net Adjusted Loss	[redacted]	$ [redacted]
Less Net Profit or (Loss) for Current Year	22,854.74	(123,226.67)
Accumulated Loss at the End of the Year	$ 85,241.92	$(108,096.66)

ANALYSIS OF ACCUMULATED LOSS FROM OPERATIONS AND CAPITAL LOSS TO CARRY FORWARD:-	1972	1971
Total Profit or (Loss) for Current Year . .	$ 22,854.74	$(123,226.67)
Less Non-Deductible Expenses	-0-	540.00
Net Taxable Income (Loss) From Operations	$ 22,854.74	$(122,686.67)
Less Taxable Income (Loss) of Previous Years	(56,739.81)	65,926.86
Loss to Carry Forward from Operations . .	$ (33,885.07)	$(56,759.81)
Add - Capital Loss Carried Forward	(10,000.00)	(10,000.00)
Total Loss to Carry Forward	$ (43,885.07)	$(66,759.81)

Petitioner's (CONEX) Exhibit "P-10".

CONSOLIDATED EXPRESS, INC.
San Juan P. R.
—oOo—

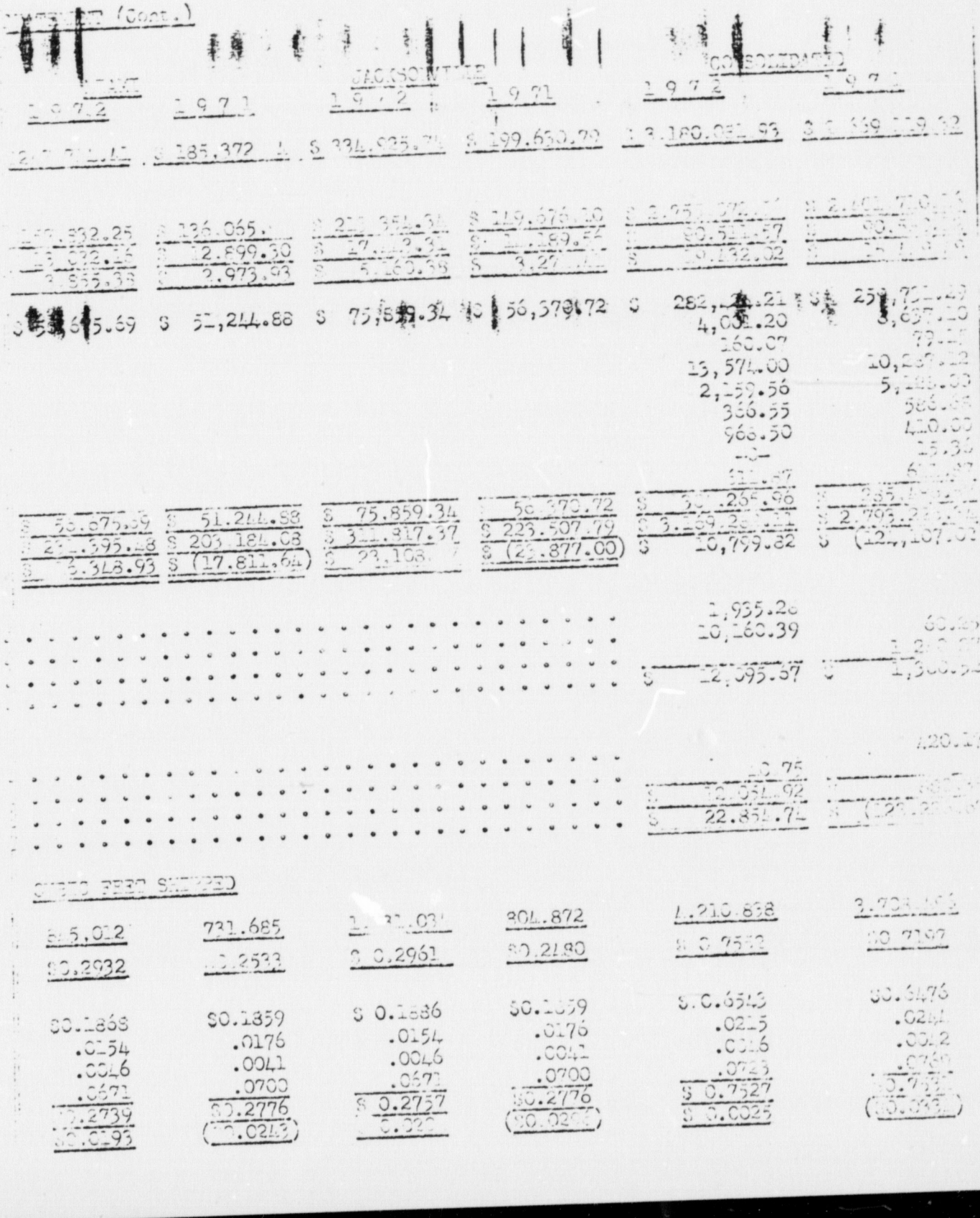
SCHEDULE TO INCOME STATEMENT

Cost of Operations in P. R.
For Years Ended on March 31,
—oOo—

	1972	1971
DIRECT COST: -		
Transportation Wages	$ 379,881.38	$ 346,068.33
Extra Help	-0-	442.81
Payroll Taxes.	62,623.30	50,291.03
Contribution to Welfare Fund	13,465.70	11,977.30
Contribution to Group Insurance Plan	4,518.24	4,330.32
Vacation Pay -Transportation.	12,411.21	16,005.40
Sick Leave - Transportation	3,942.11	13,907.69
Security Guard	5,[illegible].94	4,903.40
Gasoline & Oil	47,983.35	38,748.33
Tires - New.	6,484.38	9,189.32
Tires - Repaired	12,157.52	11,842.07
Truck & Parts Services	33,715.51	29,266.13
Tools & Utensils	221.02	826.25
Rental of Transportation Equipment	10,930.77	8,692.71
Cartage	5,785.14	3,894.67
Inland Freight	3,720.25	564.74
Rent - Terminal Facilities	153,674.75	75,495.19
Marine and Air Freight	-0-	30.72
Auto & Trucks Plates	7,280.87	6,554.94
Insurance Premiums - Autos & Trucks	30,540.99	22,969.27
Marine Insurance	4,943.93	6,[illegible]
Custom Fees	-0-	[illegible].00
Cargo Claims	2,395.45	5,072.66
Accident Claims	1,[illegible]9.43	3,533.8[illegible]
Insurance -Others	11,839.81	11,[illegible]45.06
Demurrages	1,710.37	1,[illegible]87.44
Storage	251.56	[illegible]45.82
Warehouse Expenses	9,818.53	10,166.10
Amortization of Leasehold Improvements	2,330.65	6,222.5[illegible]
Depreciation - Auto & Trucks, Tools & Eq., Ware/Eq.	119,8[illegible]6.34	8[illegible],709.92
Total Direct Cost	$ 950,059.50	$ 7[illegible],355.25
SALES & PROMOTION:-		
Salesmen Salaries	$ 43,473.00	$ 41,672.57
Payroll Taxes - Selling	2,998.88	2,503.14
Soliciting and Entertainment.	9,470.81	10,674.79
Traveling Allowances	3,352.35	2,363.09
Auto Expenses	12,043.79	13,[illegible]16.75
Advertising	5,173.85	3,[illegible]23.77
Total Sales & Promotion.	$ 7[illegible]2.68	$ 7[illegible]4.22
FINANCING COST:-		
Interest Expense	$ 23,220.[illegible]8	$ 17,[illegible]12.59
Bank Charges and Commissions.	6.3[illegible]	30.[illegible]
Total Financing Cost	$ 23,[illegible]26.82	$ 17,[illegible]2.59

- Carried forwar -

Petitioner's (CONEX) Exhibit "P-10".



Petitioner's (CONEX) Exhibit "P-10".

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]		[illegible]		CONSOLIDATED	
1972	1971	1972	1971	1972	1971
[illegible]	$	$	$	$ 2,194,874.31	$ 1,797,139.27
				402,537.47	486,976.82
[illegible]	80,110.21	[illegible] 445.83	84,659.34	250,081.48	164,769.13
[illegible]	105,262.30	187,967.73	114,971.45	328,076.49	220,233.75
		[illegible]		4,512.18	
[illegible]	[illegible] 372.41	$ 334,925.74	$ 199,630.79	$ 3,180,081.93	$ 2,669,119.32
[illegible] 697.79	$ 136,065.97	[illegible] 074.34	$ 149,676.20	$ 785,829.43	$ 659,642.38
135.50				26,436.49	23,215.17
				859,721.79	713,704.94
				153,730.39	204,655.04
				14,785.80	4,283.75
				157,852.86	129,038.77
				163,612.21	147,785.20
				6,527.62	19,636.80
				204,475.00	202,400.00
				283,316.11	190,[illegible]
				66,477.39	53,526.64
		2,280.00		2,280.00	
				30,037.47	24,381.32
[illegible]	$ 136,065.97	$ 223,354.34	$ 149,676.20	$ 2,755,378.56	$ 2,401,718.46
[illegible] 32.16	$ 12,899.30	$ 17,443.31	$ 24,[illegible]	$ [illegible] 942.14	$ 61,[illegible]
				15,077.36	15,221.[illegible]
				4,191.27	3,442.45
				200.00	200.00
				6,101.50	6,336.70
[illegible]	[illegible]	[illegible] 7,113.31	[illegible]	$ 90,512.57	[illegible]
[illegible] 3,815.38	$ 2,973.93	$ 5,[illegible]	$ 3,[illegible]	$ 19,212.04	$ 15,[illegible]
				219.93	376.30
[illegible]	[illegible]	[illegible]	[illegible]	$ [illegible]	$ [illegible]

[illegible] -

Petitioner's (CONEX) Exhibit "P-10".

COST OF [illegible] FOR [illegible]

	19[illegible]2	19[illegible]1
Brought forward	$ 1,051,199.00	$ 875,902.02
ADMINISTRATIVE OVERHEAD:-		
Office Salaries	$ 205,659.67	$ 171,844.98
Employees Bonification	15,7[illegible].44	16,505.51
Payroll Taxes	13,577.62	10,322.26
Vacation Pay -Office	13,303.70	3,621.42
Sick Leave - Office	4,187.80	8,815.10
Telephone and Telegrams	17,499.93	16,465.72
Office Supplies and Stationery	6,209.25	10,567.82
Parcel Post & Postage	4,[illegible]00.02	2,502.36
Legal Expenses	4,[illegible]64.15	10,779.31
Auditor Fee	3,000.00	3,000.00
Rent- Office Equipment	18,114.75	12,566.60
Office Repairs	1,024.90	1,989.70
Office Maintenance	5,319.46	4,200.20
Office Expense	11,374.85	12,415.66
Dues and Subscriptions	1,211.42	1,473.38
Contributions and Gifts	100.00	150.00
Electricity	12,792.51	3,287.65
Water	299.60	104.38
Municipal and Property Taxes	473.31	1,635.13
Miscellaneous	93.25	356.85
Depreciation -Furniture and Fixtures	2,891.83	2,717.83
Total Administrative Overhead	$ 341,[illegible]6.46	$ 295,[illegible]2.0[illegible]
Gross Cost	$ 1,393,[illegible]5.46	$1[illegible]7,184.13
Less Revenue from Local Trans. & Wareh. Rent.	240,[illegible]8.34	141,359.0[illegible]
NET COST OF OPERATIONS IN PUERTO RICO	$ 1,152,407.12	$1,029,[illegible]2[illegible].0[illegible]

DISTRIBUTION OF REVENUE AMONG DIFFERENT COSTS

Particulars	Gross Cost	Per Cent	Rev. Applied	Net Cost
Direct Cost	$ 950,059.50	68.191%	$ 164,230.07	$ 785,829.[illegible]
Sales & Promotion	78,512.68	5.635%	13,57[illegible].24	64,941.[illegible]
Financing Cost	23,226.82	1.667%	4,014.78	19,212.0[illegible]
Administrative Overhead	341,[illegible]6.46	24.507%	59,[illegible]8.25	282,[illegible]1.[illegible]
	$1,392,215.46	100.000%	$ 240,838.34	$ 1,152,407.[illegible]

DISTRIBUTION OF NET COST ACCORDING TO CUBIC FEET SHIPPED

Particulars	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
Cubic Feet Shipped	2,234,792	815.012	1.131.034	4.210.838

	Cubic Feet				
Direct Cost	$0.18662060	$ 417,058.34	$ 157,696.75	$ 211,074.34	$ 785,829.[illegible]
Sales & Prom.	.01542245	34,465.97	13,032.16	17,443.31	64,941.[illegible]
Financing Cost	.00456252	10,196.[illegible]8	3,855.38	5,160.38	19,212.0[illegible]
Adm. Overhead	.06707070	149,889.18	56,675.69	75,859.34	282,[illegible]1.[illegible]
	$0.27367527	$ 611,609.77	$ 231,259.98	$ 309,537.37	$ 1,152,407.[illegible]

Petitioner's (CONEX) Exhibit "P-11".

CONSOLIDATED EXPRESS, INC.

San Juan, P. R.

FINANCIAL STATEMENTS

Year 1972-73

BARTOLO RIVERA PEREZ
Certified Public Accountant
70 West Mendez Vigo St.—3rd Floor
Mayaguez, P. R. 00708

Member of:
National Society
of
Public Accountant
Puerto Rico Institute
Certified Public Accountants
National Association
of Accountants

P. O. Box 603

Tels. { 832-0135
832-6028

May 4, 1973.

To the Board of Directors of
Consolidated Express, Inc.
Box 2080
San Juan, Ruerto Rico

Dear Sirs:—

In accordance with our agreement, I have made an examination and audit of the books of accounts and other

Petitioner's (CONEX) Exhibit "P-11".

financial records of your business, for the year ended on March 31, 1973 and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matter checked and reviewed.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnish the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

/s/ Bartolo Rivera Pérez—CPA

BRP/crc

* * *

Petitioner's (CONEX) Exhibit "P-11".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

INDEX

Contents	*Page No.*
Auditor's Letter	1
Index	2
History and Organization	3
Scope of Examination	3
Opinion	3–4
Balance Sheet ."Exhibit A"....	5
Income Statement ."Exhibit B"....	6
Statement of Changes in Financial Position "Exhibit C"....	7
Notes to Financial Statements:—	
Balance Sheet:—	
Note #1—Cash on Hand and in Banks	8
Note #2—Accounts Receivable—Trade	8
Note #3—Prepaid Expenses	8
Note #4—Property and Equipment	8–9
Note #5—Deposits & Bonds	9
Note #6—Notes Payable	9
Note #7—Accrued Expenses Payable	10
Note #8—Withholding & Payroll Taxes ...	10
Note #9—Dividends Payable	10
Note #10—Accumulated Loss from Operations	11

Petitioner's (CONEX) Exhibit "P-11".

Income Statement:—

Schedule #1—Cost of Operations in Puerto Rico	11-A-B
Schedule #2—Direct Cost	12
Schedule #3—Sales & Promotion	12
Schedule #4—Financing Cost	12
Schedule #5—Administrative Overhead	12

History and Organization

This corporation was organized under the laws of the Commonwealth of Puerto Rico and registered in the Secretary of State on April 1, 1965 under registration number 14,356.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

They began operations with an authorized capital stock of $300,000.00 subdivided into 3,000 common shares of $100.00 par value each of which 2,050 shares have been issued and as of the date of this report are distributed among the following shareholders.

Name	*Address*	*Shares*	*Par Value*
Rodolfo A. Catinchi	Box 2080—San Juan, PR	988	$ 98,800.00
Roy M. Jacobs	760 12th Ave., New York	988	98,800.00
Ginette Catinchi	Box 2080—San Juan PR	37	3,700.00
Harriet A. Jacobs	760 12th Ave., New York	37	3,700.00
Total Capital Stock Issued & Outstanding		2,050	$205,000.00

Petitioner's (CONEX) Exhibit "P-11".

The officers and directors of this corporation and their expiration date are as follows:—

Name	*Position*	*Term Expires*
Rodolfo A. Catinchi	President	April 30, 1974
Roy Jacobs	Vice-President	April 30, 1974
Enrique Venta	Treasurer	April 30, 1974
Carmen Méndez	Secretary	April 30, 1974

Its main and official office is located at Urbanización Villa Caparra at No. 18 C Street, Guaynabo, P.R., but the warehouse, accounting and executive offices are located at Ceramic Industrial Garden of Carolina, Puerto Rico.

Scope of Examination

My examination was directed primarily to a verification of the Balance Sheet of the corporation, as of March 31, 1973 and to a general review of the results from operations and changes in financial position for the year then ended.

Opinion

I have examined the Balance Sheet of CONSOLIDATED EXPRESS, INC. as of March 31, 1973, and the related statements of Incomes and Changes in Financial Position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying Balance Sheet, Incomes and Changes in Financial Position statements present fairly the financial situation of CONSOLIDATED EXPRESS, INC. at March 31, 1973, the results of its operations and changes

Petitioner's (CONEX) Exhibit "P-11".

in financial position for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 4th. day of May 1973.

/s/ Bartolo Rivera Pérez
Bartolo Rivera Pérez—C. P. A.
Lic. #244—Expires 12-1-73

(Seal)

Petitioner's (CONEX) Exhibit "P-11".

"EXHIBIT A"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

BALANCE SHEET
March 31, 1973 and 1972

ASSETS

	1973	*1972*
CURRENT ASSETS:—		
Cash on hand and in Banks—Note #1	$ 38,643.30	$ 58,224.87
Accounts Receivable:—		
Trade—Note #2	$ 311,415.27	$ 394,558.04
Employees	623.16	
Others	39,192.42	8,147.27
	$ 351,230.85	$ 402,705.31
Prepaid Expenses—Note #3	$ 14,373.43	$ 25,211.53
Total Current Assets	$ 404,247.58	$ 486,141.71
FIXED ASSETS:—		
Property & Equipment—At Cost—Note #4	$ 550,771.74	$ 669,993.45
Less Accumulated Depreciation	330,879.62	329,072.39
Total Fixed Assets	$ 219,892.12	$ 340,921.06
OTHER ASSETS:—		
Cost of Key Employee Insurance	$ 131,598.14	$ 104,984.53
Deposits & Bonds—Note #5	25,590.00	2,840.00
Income Tax Overpayment	15,130.01	15,130.01
Deferred Workmen Compensation Insurance	12,834.37	4,426.39
Deferred Auto & Trucks Plates	2,214.98	2,710.60
Organization Expenses	283.00	283.00
Leasehold Improvements—Less Acc. Amortization	—0—	11,017.59
Advance New Building	—0—	6,066.97
Total Other Assets	$ 187,650.50	$ 147,459.09
TOTAL ASSETS	$ 811,790.20	$ 974,521.86

Notes to financial statements are an integral part of this statement.

Petitioner's (CONEX) Exhibit "P-11".

"EXHIBIT A"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

BALANCE SHEET
March 31, 1973 and 1972

LIABILITIES & STOCKHOLDERS' EQUITY

	1973	*1972*
CURRENT LIABILITIES:—		
Accounts Payable:—		
Trade	$ 464,902.79	$ 378,411.63
C.O.D.	4,450.47	1,001.32
Others	92.25	192.00
	$ 469,445.51	$ 379,604.95
Notes Payable—Portion due within 1 yr.—		
Note #6	$ 255,363.51	$ 336,219.57
Accrued Expenses Payable—Note #7	66,631.91	50,183.39
Withholding & Payroll Taxes—Note #8	5,720.19	11,989.63
Dividends Payable—Note #9	169.13	169.13
Total Current Liabilities	$ 797,330.25	$ 778,166.72
LONG TERM LIABILITIES:—		
Notes Payable—Portion due after 1 yr.—		
Note #6	$ 104,920.50	$ 76,597.06
Total Long Term Liabilities	$ 104,920.50	$ 76,597.06
Total Liabilities	$ 902,250.75	$ 854,763.78
STOCKOLDERS' EQUITY:—		
Authorized Capital Stock—3,000 common shares of $100.00 Par Value Each; Issued & Outstanding	$ 205,000.00	$ 205,000.00
Deduct—Accumulated Loss From Operations —Note #10	295,460.55	85,241.92
Stockholders' Equity (Deficit)	$ (90,460.55)	$ 119,758.08
TOTAL LIABILITIES & EQUITY 1972 LESS DEFICIT 1973	$ 811,790.20	$ 974,521.86

Notes to financial statements are an integral part of this statement.

Petitioner's (CONEX) Exhibit "P-11".

"EXHIBIT B"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

INCOME STATEMENT
For Years Ended on March 31,

	1973	*1972*
REVENUE FROM SALES:—		
South Bound	$1,941,725.05	$2,194,874.31
North Bound	383,595.97	402,537.47
Agency Commissions	34,335.33	250,081.48
Cartage	65,490.65	328,076.49
Consolidation Barker	231,222.62	4,512.18
Miscellaneous Consolidation	29,479.28	—0—
Gross Revenue From Sales	$2,685,848.90	$3,180,081.93
LESS COST OF OPERATION:—		
(2) Direct Cost	$2,609,610.93	$2,755,072.56
(3) Sales & Promotion	71,279.82	90,511.57
(4) Financing Cost	16,916.66	19,432.02
(5) Administrative Overhead	238,516.71	304,265.96
Total Cost of Operations	$2,936,324.12	$3,169,282.11
Net Profit (Loss) from Operations	$ (250,475.22)	$ 10,799.82
OTHER INCOMES:—		
Gain on Sales of Trucks	$ 33,159.53	$ —0—
Adjustments of Prior Years	6,357.22	1,935.28
Miscellaneous Incomes	439.84	10,160.39
Total Other Incomes	$ 40,256.59	$ 12,095.67
OTHER DEDUCTIONS:—		
Loss on Disposal of Equipment		40.75
Net Other Incomes Less Other Deductions	$ 40,256.59	$ 12,054.92
NET PROFIT (LOSS) FOR THE YEAR	$ (210,218.63)	$ 22,854.74

Notes to financial statements are an integral part of this statement.

ONLY COPY AVAILABLE

Petitioner's (CONEX) Exhibit "P-11"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
——ooOoo——

"EXHIBIT C"

STATEMENT OF CHANGES IN FINANCIAL POSITION
For Years Ended on March 31, 1973 and 1972
——ooOoo——

	1973	1972
SOURCES OF FUNDS:-		
From Operations:-		
Net Profit or (Loss) for the Years	$ (210,218.63)	$ 22,854.74
Add- Expenses Requiring no Cash Outlay:-		
Depreciation and Amortization	138,947.80	130,421.69
Funds Provided From Operations	$ (71,270.83)	$ 153,276.43
Decrease in Advances of New Building	6,066.97	-0-
Sales of Auto & Trucks	249,972.96	-0-
Furniture & Fixtures Written-Off F/Books of Acct.	1,479.55	642.11
Decrease in Auto & Trucks Plates Deferred	495.62	-0-
Leasehold Improvements Written-Off F/Books Accts.	31,743.97	15,580.80
Increase in Long Term Liabilities	28,323.44	-0-
Decrease in Deposits & Bonds	-0-	1,131.81
Decrease in Deposits for Purchase of Equipment	-0-	714.00
Total Funds Provided	$ 246,811.68	$ 171,352.84
FUNDS APPLIED:-		
For the Acquisition of Property & Equipment	$ 132,230.80	$ 249,299.74
To Decrease Long Term Liability	-0-	13,621.10
To Pay Premium of Key Employees Policy	26,613.61	24,417.51
To Increase in Prepaid Taxes	-0-	799.00
To Increase Prepaid Workmen Compensation Insurance	8,407.98	2,520.00
Depreciation & Amort. Written-off Books of Accts.	157,866.95	9,170.10
To Increase Deposits & Bonds	22,750.00	-0-
Total Funds Applied	$ 347,869.34	$ 299,827.45
Increase or (Decrease) in Working Capital	$ (101,057.66)	$ (128,474.61)
Deficit in Working Capital at Begin. of Year	(292,025.01)	(163,550.40)
Deficit in Working Capital at the End of Year	$ (393,082.67)	$ (292,025.01)
CHANGES IN WORKING CAPITAL:-		
Increase or (Decrease) in Current Assets:-		
Cash on Hand and in Banks	$ (19,581.57)	$ (27,781.23)
Accounts Receivable	(51,474.16)	(78,250.00)
Prepaid Expenses	(10,838.10)	(5,914.00)
Increase or (Decrease) in Current Assets	$ (81,894.13)	$ (111,945.23)
Increase or (Decrease) in Current Liabilities:-		
Accounts Payable	$ 89,840.56	$ 72,585.00
Notes Payable	(80,856.11)	96,000.00
Accrued Expenses Payable	16,148.52	1,000.00
Withholdings & Payroll Taxes	(6,269.44)	2,760.00
Increase or (Decrease) in Current Liabi.	$ 19,163.23	$ (16,529.77)
Increase or (Decrease) in Working Capital	$ (101,057.66)	$ (128,474.61)

Notes to financial statements are an integral part of this statement.

ONLY COPY AVAILABLE

Petitioner's (CONEX) Exhibit "P-11".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
——oOoo——

NOTES TO FINANCIAL STATEMENTS

BALANCE SHEET

1- CASH ON HAND AND IN BANKS:-

	1973	1972
On Hand:-		
Petty Cash Fund	$ 1,910.00	$ 1,410.00
In Banks:-		
Bank of Commerce -N.Y.- Checking Account	$ 10,944.29	$ 13,860.47
Bco. Popular de P.R. -S/Juan -Ckg. Acct.	12,120.88	12,043.76
Chase Manhattan Bank -N.Y.- Ckg. Account	346.49	1,238.48
Banker Trust -N.Y. - Checking Account	23,155.35	7,678.17
Banco Crédito & Ahorro Ponceño-V/Mar- C/Acct.	(9,833.71)	19,114.23
Franklin National Bank -N.Y. -Ckg. Account	-0-	2,879.76
Total Cash in Banks	$ 36,733.30	$ 56,814.87
Total Cash on hand and in banks	$ 38,643.30	$ 58,224.87

2- ACCOUNTS RECEIVABLE - TRADE: -

Aging	1973 Amount	1973 Per Cent	1972 Amount	1972 Per Cent
1 to 30 days	$ 227,658.72	73.10%	$ 267,456.38	67.79%
31 to 60 days	42,289.30	13.58%	75,803.30	19.21%
61 to 90 days	12,881.87	4.14%	19,239.04	4.88%
Over 90 days	28,585.38	9.18%	32,059.32	8.12%
	$ 311,415.27	100.00%	$ 394,558.04	100.00%

3- PREPAID EXPENSES: -

	1973	1972
Insurance Premiums	$ 13,805.52	$ 14,821.32
Interests	567.91	9,873.80
Maintenance Contracts	-0-	516.41
	$ 14,373.43	$ 25,211.53

4- PROPERTY & EQUIPMENT:-

Changes in property and equipment during current year are set out in the following statement:-

Property	Balance on 3-31-72	Increase	Decrease	Balance on 3-31-73
Warehouse Equipment.	$ 9,055.42	$	$	$ 9,055.42
Autos & Trucks.	622,401.17	132,230.80	249,972.96	504,659.01
Furniture & Fixts.-P.R.	28,770.34		1,479.55	27,290.79
Furn. & Fixtures - N.Y.	6,119.11			6,119.11
Tools & Equipment	3,647.41			3,647.41
Total Property	$ 669,993.45	$ 132,230.80	$ 251,452.51	$ 550,771.74

- Cont. next page -

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Petitioner's (CONEX) Exhibit "P-11".

NOTES TO FINANCIAL STATEMENTS (Cont.)

PROPERTY & EQUIPMENT: - (Cont.)

PROPERTY	Balance on 3-31-72	Increase	Decrease	Balance on 3-31-73
Brought forward. . . .	$ 669,993.45	$ 132,230.80	$ 251,452.41	$ 550,771.74
DEPRECIATION				
Warehouse Equipment. .	$ 4,646.94	$ 905.52	$	$ 5,552.46
Autos & Trucks	307,233.34	133,052.48	134,867.43	305,418.39
Furn. & Fixts. - P.R.	12,420.67	3,219.65	1,479.55	14,160.77
Furniture & Fixtures-NY	2,728.81	611.88		3,340.69
Tools & Equipment. . .	2,042.63	364.68		2,407.31
Total Depreciation	$ 329,072.39	$ 138,154.21	$ 136,346.98	$ 330,879.62
Book Value	$ 340,921.06			$ 219,892.12

DEPRECIATION POLICY:-

Depreciation of property and equipment, have been provided for generally on the straight line method, in amounts sufficient to amortize the cost of assets over their estimated useful lives. Depreciation and amortization expense was charged to the cost of operations for years 1972 and 1973 in the amount of $130,421.69 and $138,947.80 respectively.

DEPOSITS & BONDS:-

Name	Particulars	1973	1972
P.R. Accuec. & Sew. Aut.	Water service -Terminal	$ 350.00	$ 350.00
P.R. Water Resources Aut.	Light service- Terminal	1,490.00	1,490.00
Eastern Airlines. . . .	Tickets Garantee . . .	425.00	425.00
General Gases Corp. . .	Cylinders Deposits. . .	50.00	50.00
Pan-Amer.World Airways	Tickets Guarantee . . .	425.00	425.00
Pat U. Realty Corp. . .	Rent New York Office. .	22,750.00	-0-
F/Nal. City Bank. . . .	Checks Issuance Garantee	100.00	100.00
		$ 25,590.00	$ 2,840.00

NOTES PAYABLE: -

Particulars	Due Within 1 Year	Due After 1 Year	TOTAL 1973	TOTAL 1972
Tac Corp.- On Equipm.	$ 52,993.80	$ 19,431.50	$ 72,425.30	$ 148,309.18
Franklin Natl. Bank-Demand	40,000.00		40,000.00	
Hassman & Bart -Demand	15,000.00		15,000.00	4,500.00
U.S. Trucking- On Equip.	8,966.21		8,966.21	16,531.48
Marine & Market. -Demand	22,500.00	18,750.00	41,250.00	
Bank of Commerce -Demand	19,200.00		19,200.00	100,000.00
U.S.Trucking- on Equipm.	96,703.50	66,739.00	163,442.50	63,705.52
Bco. Cr. & Ahorro -Demand				30,000.00
Bco. Cr. & Ahorro -Instal.				8,070.50
Banker Trust - Demand. . .				43,700.00
	$ 255,363.51	$ 104,920.50	$ 360,284.01	$ 412,846.68

NOTE: -
Loans on equipment are secured by a chattel mortgage on motor vehicles in favor of lending enterprises. Demands are against credit lines established with banks and others.

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Petitioner's (CONEX) Exhibit "P-11".

NOTES TO FINANCIAL STATEMENT
(Cont.)

7- ACCRUED EXPENSES PAYABLE:-

Particulars	Account No.	1973	1972
Marine Insurance - N.Y.	503-2	$ 6,415.70	$
Gasoline & Oil	502-1	175.04	349.72
Trucks Parts & Services	514-1	487.83	746.56
Office Maintenance	535-1	38.00	337.50
Office Expenses	537-1	311.00	107.12
Telephone & Telegrams	542-1	198.46	410.53
Soliciting & Entertainment	543-1	335.75	84.27
Electricity	547-1	414.22	
Cartage - P.R.	508-1	4,262.28	
Handling -South Bound N.Y.	509-2	635.00	
Cargo Claims	529-1	20.80	
Extra Help	557-1	35.00	
Water	548-1	7.56	
Tires - New	520-1	2,064.11	
Stationery & Supplies	536-1	110.80	
Marine Freight - N.Y. South Bound	504-2	16,781.30	
Marine Freight - NY -North Bound	505-2	8,887.13	754.13
Provision for Vacation	205-2	7,990.40	12,763.70
Provision for Sick Leave	205-3	9,664.94	13,701.10
Accrued Payroll	202-6	4,223.69	11,682.25
Provision for Employees Bonus	209-1	3,492.90	6,549.38
Security Guard	558-1		898.80
Tires - Repaired	521-1		1,093.75
Advertising	549-1		300.00
Warehouse Expenses	578-1		158.28
Rent - Ponce Office	531-1		246.24
		$ 66,631.91	$ 50,183.39

8- WITHHOLDINGS & PAYROLL TAXES:-

	1973	1972
Income Tax Withheld	$ 2,247.59	$ 3,449.59
Social Security	599.80	1,439.32
Unemployment Compensation - State	1,837.89	4,474.43
Unemployment Compensation - Federal	390.94	828.60
Drivers Social Security	133.60	351.20
Disability Unemployment Insurance	484.87	1,222.70
Union Dues Withheld	25.50	224.78
	$ 5,720.19	$ 11,989.62

9- DIVIDENDS PAYABLE: -

Shareholders	Shares Held	Percentage of Cap.	1973	1972
Rodolfo A. Catinchi	900	48.17%	$ 48.41	$ 48.41
Roy M. Jacobs	900	48.17%	48.41	48.41
Ginette Catinchi	34	.0183%	36.16	36.16
Harriet A. Jacobs	34	.0183%	36.15	36.15
	1,868	100%	$ 169.13	$ 169.13

Petitioner's (CONEX) Exhibit "P-11".

NOTES TO FINANCIAL STATEMENT—(Cont.)

10—ACCUMULATED LOSS FROM OPERATIONS:—	*1973*	*1972*
Balance at the beginning of the year	$ 85,241.92	$ 108,096.66
Net Profit or (Loss) for Current Year ...	(210,218.63)	22,854.74
Accumulated Loss at the End of the Year	$ 295,460.55	$ 85,241.92

ANALYSIS OF ACCUMULATED LOSS FROM OPERATIONS AND CAPITAL LOSS TO CARRY FORWARD:—	*1973*	*1972*
Capital Profit or (Loss) From Operations	$ (243,678.16)	$ 22,354.74
Less Profit on Sales of Equipment	$ 33,459.53	$
Deduct—Capital Loss Carried Forward	10,000.00	
Net Capital Profit	$ 23,459.53	$ —0—
Adjusted Profit or (Loss) For Current Year	$ (220,218.63)	$ 22,854.74
Loss of Prior Years Carried forward—Opera.	33,885.07	56,739.81
Total Loss to Carry Forward from operations	$ 254,103.70	$ 33,885.07

Petitioner's (CONEX) Exhibit "P-11".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
—oOOoo—

SCHEDULE TO INCOME STATEMENT

Cost of Operations in P. R.
For Year Ended on March 31,
—oOOoo—

	1973	1972
DIRECT COST:-		
Transportation Wages	$ 157,003.60	$ 379,851.38
Warehouse Wages	23,777.43	-0-
Trailers Wages	39,645.81	-0-
Extra Help	53.00	-0-
Payroll Taxes	42,[illegible]2.39	62,622.30
Contribution to Welfare Fund	9,[illegible]5.70	13,465.70
Contribution to Group Insurance Plan	7,872.61	4,518.24
Vacation Pay - Transportation	9,759.45	12,411.21
Sick Leave - Transportation	2,779.10	3,942.11
Security Guard	11,365.38	5,113.94
Gasoline & Oil	35,113.56	47,983.35
Tires - New	7,973.30	6,484.38
Tires - Repairs	6,513.52	12,157.52
Trucks Parts and Services	24,104.06	33,715.52
Tools & Utensils	143.96	221.02
Rentals of Transportation Equipment	9,102.94	10,230.77
[illegible]ge	108,560.33	5,785.[illegible]
Freight	4,806.60	3,720.[illegible]
Terminal Facilities	136,061.92	153,6[illegible].75
[illegible] Insurance	-0-	4,[illegible]2.93
Storage	-0-	85[illegible].[illegible]
Insurance Premiums - Autos & Trucks	30,[illegible]9.36	30,[illegible]0.97
Insurance Premiums - Others	17,464.50	11,[illegible]9.82
Autos & Trucks Plates	11,[illegible]1.93	7,[illegible]0.[illegible]
Excise Taxes	20.00	[illegible]
Cargo Claims	3,190.96	2,395.45
Accident Claims	382.00	1,[illegible]3.[illegible]
Warehouse Expenses	11,064.45	9,8[illegible].[illegible]
Demurrages	314.67	1,710.37
Amortization of Leasehold Improvements	17,[illegible]4.56	2,8[illegible].65
Deprec. Auto & Trucks, Tools & Eq. & Ware.Eq.	134,322.63	119,[illegible]6.[illegible]
Total Direct Cost	$ 962,070.77	$ 950,[illegible]9.[illegible]
SALES & PROMOTION:-		
Salesmen Salaries	$ 28,127.50	$ 45,[illegible]3.00
Payroll Taxes - Selling	2,325.24	2,[illegible]8.[illegible]
Soliciting and Entertainment	9,[illegible]6.[illegible]	9,[illegible]0.[illegible]
Traveling Allowances	3,623.79	3,[illegible]2.55
Car Allowances	11,101.05	12,[illegible]3.79
Advertising	911.00	5,[illegible]3.35
Total Sales & Promotion	$ 55,[illegible]4.86	$ [illegible]
FINANCING COST:-		
Interest Expense	$ 24,022.55	$ 43,[illegible]0.[illegible]
Bank Charges & Commissions	[illegible]	[illegible]
Total Financing Cost	$ [illegible]	$ [illegible]
Carried forward	[illegible]	[illegible]

Petitioner's (CONEX) Exhibit "P-11".

B-

COST OF OPERATIONS IN PUERTO RICO (Cont.)

	1973	1972
Brought forward	$ 941,342.75	$1,051,799.00
ADMINISTRATIVE OVERHEAD:-		
Office Salaries	$ 178,719.27	$ 207,359.67
Employees Bonifications	-0-	15,745.44
Payroll Taxes	8,187.61	13,577.64
Vacation Pay - Office	15,766.25	13,303.70
Sick Leave - Office	4,946.44	4,187.80
Telephone & Telegrams	16,773.47	17,499.93
Office Supplies & Stationery	4,365.61	6,209.25
Parcel Post & Postage	3,538.33	4,100.02
Legal Expenses	7,970.27	4,461.15
Auditor Fee	3,000.00	3,000.00
Rent - Office Equipment	17,685.60	18,114.75
Office Repairs	534.50	1,024.90
Office Maintenance	4,252.83	5,319.46
Office Expenses	9,376.02	11,371.85
Dues and Subscriptions	1,610.10	1,211.42
Contributions & Gifts	-0-	100.00
Electricity	10,834.22	12,792.51
Water	381.29	299.60
Municipal and Property Taxes	-0-	473.31
Miscellaneous	88.53	93.25
Loss for Obsolecence	6.25	-0-
Depreciation Furniture & Fixtures	3,219.65	2,894.83
Loss in Bad Accounts	7,346.29	-0-
Total Administrative Overhead	$ 298,584.34	$ 384,130.47
Gross Cost	$1,239,927.09	$1,435,929.47
Less Rev.From Local Transp. & Warehouse Rent	373,858.94	210,838.34
NET COST OF OPERATIONS IN PUERTO RICO	$ 866,068.15	$1,225,091.13

DISTRIBUTION OF REVENUE AMONG DIFFERENT COSTS

Particulars	Gross Cost	Per Cent	Rev.Applied	Net Cost
Direct Cost	$ 862,000.77	69.525%	$ 259,925.43	$ 602,145.34
Sales & Promotion	55,[illegible]4.86	4.447%	16,625.51	38,509.35
Financing Cost	24,137.12	1.947%	7,279.03	16,858.09
Administrative Overhead	298,590.61	24.081%	90,028.97	208,561.64
	$1,239,9[illegible]2.36	100.000%	$ 373,858.94	$ 866,068.72

Petitioner's (CONEX) Exhibit "P-11".

SCHEDULES TO INCOME STATEMENT -Cont

2- DIRECT COST:-	1973	1972
Application of Costs in Puerto Rico	$ 602,145.34	$ 785,829.43
Marine Insurance	24,638.90	26,436.49
Marine Freight - South Bound	966,263.03	859,721.79
Marine Freight - North Bound	165,077.13	153,730.39
Marine Freight - Virgin Island	6,919.06	14,785.80
Inland Freight	102,624.52	157,852.86
Cartage	1[illegible],870.42	163,612.21
Cargo Claims	6,364.41	6,517.62
Commissions to Agent	241,125.00	204,475.00
Handling - South Bound	142,862.98	283,316.11
Handling -North Bound	36,844.72	63,477.39
Handling - Barkers Shipments	27,141.98	2,280.00
Rental of Transportation Equipment	28,893.87	30,037.47
Handling -Miscellaneous	58,833.34	-0-
Container Movement	38,006.23	-0-
Total Direct Cost	$2,309,610.93	$2,755,072.56

3- SALES & PROMOTION:-	1973	1972
Application of Costs in Puerto Rico	$ 38,509.35	$ 64,941.44
Soliciting and Entertainments	20,271.88	15,077.36
Traveling Allowances	7,182.50	4,191.27
Advertising	-0-	200.00
Auto Expenses	5,316.09	6,101.50
Total Cost of Sales and Promotion	$ 71,279.82	$ 90,511.57

4- FINANCING COST:-	1973	1972
Application of Costs in Puerto Rico	$ 16,358.09	$ 19,212.04
Bank Charges	58.57	219.98
Total Financing Cost	$ 16,916.66	$ 19,432.02

5- ADMINISTRATIVE OVERHEAD:-	1973	1972
Application of Cost in Puerto Rico	$ 208,570.64	$ 282,[illegible]
Office Expenses	12,[illegible]16.35	4,[illegible]
Stationery & Supplies	161.46	160.07
Telephone & Telegrams	13,400.78	13,574.00
Legal Expenses	1,507.66	2,[illegible]
Dues & Subscriptions	1,306.94	[illegible]
Contributions & Gifts	511.00	[illegible]
Office Maintenance	30.00	-0-
Depreciation - Furniture & Fixtures -N.Y.	611.88	[illegible]
Total Administrative Overhead	$ 238,516.71	$ 30[illegible]

Petitioner's (CONEX) Exhibit "P-12".

MEMBER OF:
NATIONAL SOCIETY
OF
PUBLIC ACCOUNTANT
PUERTO RICO INSTITUTE
:RTIFIED PUBLIC ACCOUNTANTS

BARTOLO RIVERA PEREZ
CERTIFIED PUBLIC ACCOUNTANT
116 E - 11 DE AGOSTO ST
MAYAGUEZ, P. R. 00708

P. O. Box 603

TELS. 832-0135
832-6028

May 10, 1967

To the Board of Directors of
Consolidated Express, Inc.
Box 2080
San Juan, Puerto Rico

Dear Sirs:-

In accordance with our agreement, I have made an examination and audit of the books of accounts and other financial records of your business, for the year ended on March 31, 1967, and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matters checked and reviewed.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnished the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

Bartolo Rivera Perez-C.P.A.
Independent Auditor

BRP/crr

Petitioner's (CONEX) Exhibit "P-12".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
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I N D E X

Contents	Page. No.
AUDITOR'S LETTER.	1
I N D E X.	2
HISTORY AND ORGANIZATION.	3
DESCRIPTION OF MAJOR AUDIT PROCEDURES	3-4
RESULTS FROM OPERATIONS:-	
Comments	4-5
FINANCIAL STATEMENT:-	
Aging Accounts Receivable - Trade	5
Changes in Financial Position.	5
Changes in Working Capital	5-6
Application of Funds.	6
OPINION.	7
FINANCIAL STATEMENT. . . . . "EXHIBIT A". . . .	8-9
STATMENT OF INCOMES AND EARNINGS . . . . . "EXHIBIT B". . . .	10
SCHEDULE TO STATEMENT OF INCOMES AND EARNINGS.	11-12
COMPARATIVE STATEMENT OF INCOMES AND EARNINGS. . ."EXHIBIT C". . . .	13
SCHEDULE OF PROPERTY AND ACCUMULATED DEPRECIATION.	14-15-1

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Petitioner's (CONEX) Exhibit "P-12".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
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HISTORY AND ORGANIZATION

This corporation was organized under the laws of the Commonwealth of Puerto Rico and registered in the Secretary of State on April, 1, 1965, under Registration Number 14,356.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

Its operations were started with an authorized capital stock of 3,000 common shares of $100.00 each or $300,000.00, of which the outstanding capital stock issued and paid-in is as follow: -

Name	Address	Shares	Par Value
Rodolfo Catinchi	Box 2080 - San Juan, P. R.	175	$ 17,500.00
Roy Jacobs	760 - 12th. Ave. - N. Y.	175	17,500.00
Jeneatte Catinchi	Box 2080 - San Juan, P. R.	7	700.00
Ana Leonor Catinchi	Box 2080 - San Juan, P. R.	7	700.00
Total Capital Stock Issued and Outstanding		364	$ 36,400.00

The officers and directors of this corporation, as of the date of this report are the followings:-

Name	Position	Term Expires
Rodolfo Catinchi	Presidente	April 30, 1968
Roy M. Jacobs	Vice-President	April 30, 1968
Jeanette Catinchi	Secretary	April 30, 1968
Rodolfo Catinchi	Resident Agent	Indefinitely

Its main and official office is located at Urbanización Villa Caparra at No. 16 G Street, Guaynabo but the accounting office and place of business is located at Minilla Industrial Development - Road #174 - Km. #2 - H. #3, Bayamón, Puerto Rico, from where all transactions and operations are conducted. They also have branch offices at Miami, Jacksonville and New York.

DESCRIPTION OF MAJOR AUDIT PROCEDURES

My examination was directed primarily to a verification of the Financial Statements of the corporation, as of March 31, 1967, and to a general review of the results from operations for the year then ended. My examination extended to a detailed check of all cash and other bookkeeping entries throughout the year, and numerous vouchers and entries were scrutinized in connection therewith.

A personal count of all cash on hand, and a reconciliation of all bank accounts with their monthly statement was made, and found all to be correct and according to the records and books of accounts of the corporation.

A request for verification were sent to customers and others in connection with accounts pending collection at the end of the year. Replies thus far received have been satisfactory, with the exception of minor remarks which are in the process of settlement.

Petitioner's (CONEX) Exhibit "P-12".

A personal and physical check of all property owned by this corporation at the end of the year under review was made, and a check of all costs figured in the books of the company, all found to be correct and according with the evidence scrutinized.

I was informed by officers and head employees of this corporation, that all liabilities as of March 31, 1967 were included and accounted therefore, and they assured me that so far as it aware and to their best knowledge and understanding, this corporation had complied with all laws and regulations related with, and specially with that of wages and hours, and that there is no claims nor litigation pending in this connection.

The insurance coverage was checked and found that it covers reasonably the totals of assets and risks related therefore.

To the extent that such vouchers and entries were examined, and based on information obtained from officers and head employees of this corporation, the accounts were found to be correct and in order.

ANALYSIS, COMMENTS AND OPINION

RESULTS FROM OPERATIONS

C O M M E N T S:-

Net earnings for current year after income tax was deducted amounted to $51,937.57 which compared with that of preceding year in the amount of $19,097.17 indicated an increase of $32,840.40.

Gross revenue from sales amounted to $2,467,510.38 and compared with that of last year in the amount of $1,600,010.99 shows an increase of $867,499.39.

The total cost of operations amounted to $2,393,982.62 which compared with $1,575,793.30 of preceding year, shows an increase of $818,189.32.

The volume in cubic feet shipped during this year was 2,942,233, which compared with 1,916,604 of last year shows an increase of 1,026,629 cubic feet.

The average revenue received for each cubic foot sold was $.8387 and the average cost per cubic foot was $.8137 which shows a net earning of $.0250, and compared with that of the preceding year in the amount of $.0127 indicates an increase of $.0123 per cubic foot.

Summarizing, the results from operations increased the stockholder's equity in the amount of $51,937.57 or $142.69 per share which in my opinion is a satisfactory result, and it was due, as all of you knows to the increase of volume in cubic feet shipped, with a minor decrease in cost in the amount of $.0089.

For further information related with the results from operations for this year, refer to "Exhibit C" of this report where you can find a comparison in detailed of the operations for current and preceding years, and you can see the increase and decrease of the differents particulars presented therefore.

FINANCIAL STATEMENT

A N A L Y S I S:-

It is not necessary to make a detailed analysis of all items and particulars included in the financial statement of this corporation, because they are self explained as presented on "Exhibit A" of this report, and any information that you may desire related with the financial position of the company, can be found on that statement.

Petitioner's (CONEX) Exhibit "P-12".

But for the purpose that you be informed with the changes in financial position, changes in working capital and application of funds provided during current year, and aging of accounts receivable- trade, I present on the following pages some statements and summaries which give you the information mentioned above.

AGING ACCOUNTS RECEIVABLE-TRADE:-

Aging	Account	Per Cent
1 to 30 days	$ 236,410.04	85%
30 to 60 days	24,701.92	9%
60 to 90 days	5,277.39	2%
90 days and over	11,580.[illegible]	4%
Difference Pending Final Settlement.	[illegible].54	- 0-
Total Accounts Receivable - Trade.	$ 280,008.82	100%

CHANGES IN FINANCIAL POSITION:-

The stockholder's equity changed during current year as shown in the following comparative statement of financial condition:-

COMPARATIVE STATEMENT OF FINANCIAL CONDITION BETWEEN PERIODS ENDED ON

	March 31, 1967	March 31, 1966	Increase or (Decrease)
ASSETS:-			
Current	$ 328,278.89	$ 205,363.71	$ 122,915.18
Fixed	126,447.77	105,716.77	18,730.00
Other Assets	34,194.30	29,854.38	4,339.92
Total Assets	$ 488,920.96	$ 341,934.86	$ 146,986.10
LESS LIABILITIES:-			
Current	$ 320,474.81	$ 201,641.23	$ 118,833.58
Long Term	52,042.22	77,296.46	(25,254.19)
Other Liabilities	8,968.03	7,500.00	1,468.03
Total Liabilities	$ 381,486.22	$ 286,437.69	$ 95,048.53
Stockholder's Equity - Total	$ 107,434.74	$ 55,497.17	$ 51,937.57
Per Share	$ 295.15	$ 152.46	$ 142.69
Shares Outstanding	364	364	- 0 -

Increase in stockholder's equity shown above is due to net surplus for current year.

CHANGES IN WORKING CAPITAL:-

Changes during current year of the working capital of this corporation are set out in the following summary:-

	March 31, 1967	March 31, 1966	Increase or (Decrease)
CURRENT ASSETS:-			
Cash on hand & in Banks	$ 16,255.08	$ 8,[illegible]16.57	$ 8,[illegible]38.51
Accounts Receivable	292,446.93	192,722.41	99,[illegible]24.52
Loans to Other Companies	14,602.11		14,[illegible]02.11
Prepaid Expenses	4,972.77	4,[illegible]24.73	[illegible]48.04
Total Current Assets	$ 328,278.89	$ 205,363.71	$ 122,915.18

- Cont. on next page -

Petitioner's (CONEX) Exhibit "P-12".

CHANGES IN WORKING CAPITAL:(CONT.) -6-

	March 31, 1967	March 31, 1966	Increase or (Decrease)
CURRENT ASSETS:-			
Total Current Assets	$ 328,278.89	$ 205,363.71	$ 122,915.18
LESS CURRENT LIABILITIES: -			
Accounts Payable	$ 258,674.22	$ 153,038.56	$ 105,635.66
Notes Payable - Short Term	23,395.10	17,419.21	5,975.89
Accrued Expenses Payable	15,719.29	21,539.83	(5,820.54)
Withholdings & Payroll Taxes	9,886.20	9,087.57	798.63
Income Tax Liability	12,800.10	556.06	12,244.04
Total Current Liabilities	$ 320,474.91	$ 201,641.23	$ 118,833.68
Net Working Capital	$ 7,803.98	$ 3,722.48	$ 4,081.50
Amount of Current Assets for each dollar of Current Liabilities	$1.02	$1.02	- 0 -

APPLICATION OF FUNDS: -

Funds received during current year and their disposition may be summarized as follow:

FUNDS PROVIDED:-			
From Operations:-			
Net Profit as per statement	$ 67,486.91		
Add Provision for depreciation and amortization requiring no cash outlay	36,702.67	$ 104,189.58	
From Increase in Other Liabilities		1,469.03	
From property eliminated for obsolecense		25.00	
From Decrease in Deposits and Bonds		25.00	
Total Funds Provided			$ 105,708.61
LESS FUNDS APPLIED:-			
To the acquisition of Property:-			
Auto & Trucks	$ 38,908.93		
Furniture & Fixtures	3,859.81		
Tools and Equipment	673.09	$ 43,441.83	
To pay inprovements to leasehold		510.00	
To pay income tax for current year		15,549.34	
To decrease Long Term Liabilities		25,254.18	
To Buy shares of Deti, Inc.		10,000.00	
To pay advances on new building		6,666.97	
To pay deposits for purchase of Property		200.00	
Depreciation eliminated from books of Account.		4.79	
Total Funds Applied			101,627.11
Balance which represents increase in Working Capital			$ 4,081.50

Petitioner's (CONEX) Exhibit "P-12".

O P I N I ON: -

I have examined the financial statement of CONSOLIDATED EXPRESS, INC., as of March 31, 1967, and the related statement of incomes and earnings retained in the business for year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial and income and earnings statements, present fairly the financial position of CONSOLIDATED EXPRESS, INC., at March 31, 1967 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 9th. day of May 1967.

Bartolo Rivera Perez C.P.A.
Lic. #244 - Expires on 12-1-67

Petitioner's (CONEX) Exhibit "P-12".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
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"EXHIBIT A"

FINANCIAL STATEMENT
As of March 31, 1967
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A S S E T S

CURRENT ASSETS:-			
Cash on hand - Petty Cash Fund		$ 2,550.00	
Cash in banks:-			
Chase Manhattan Bank-P.R.	$ 5,073.76		
Chase Manhattan Bank-N.Y.	704.28		
Curtis Natl. Bank - Miami	1,764.18		
Bco. Popular de P. R.-San Juan	6,162.86	$ 13,705.08	$ 16,255.08
Accounts Receivable:-			
Trade		$ 280,008.92	
Shareholders & Employees.	$ 3,824.85		
Others	8,615.16	12,440.01	292,448.93
Loans to Other Companies:-			
Miami San Juan Express, Corp.		$ 9,852.11	
Vol Boy Realty Corp.		4,750.00	14,602.11
Prepaid Expenses:-			
Public Service Comm. License		$ 561.87	
Insurance Premiums		3,228.99	
Interest Paid		154.02	
Motor Vehicles Plates		909.65	
Maintenance Contract		118.24	4,972.77
Total Current Assets			$ 328,278.89
FIXED ASSETS: -			
Investments:-			
20 common shares of Detl, Inc. $500.00 Par Value Each			$ 10,000.00

Movable Property	Cost	Acc.Depr.	Book Value	
Auto & Trucks	$160,005.23	$60,109.84	$ 99,895.39	
Furn. & Fixtures	9,818.97	1,345.27	8,473.70	
Furn. & Fix. Out.P.R.	775.49	48.22	727.27	
Tools & Equipment.	2,749.67	351.70	2,397.97	
Warehouse Equipment	6,112.15	1,158.71	4,953.44	
Total M/Property	$179,461.51	$63,013.74	$ 116,447.77	116,447.77
Total Fixed Assets				126,447.77

OTHER ASSETS: -			
Leasehold Improvements		$ 30,247.97	
Less Accumulated Amortization		5,158.64	$ 25,089.33
Deposits and Bonds			1,955.00
Advances on New Building			6,663.97
Deposits for Purchase of Property			200.00
Organization Expenses			283.00
Total Other Assets			$ 34,191.30
Total Assets			$ 488,920.96

- Carried forward -

Petitioner's (CONEX) Exhibit "P-12".

FINANCIAL STATEMENT ... 1967

Total Assets			$ 488,[illegible]

LIABILITIES & STOCKHOLDER'S EQUITY

CURRENT LIABILITIES: -			
Accounts Payable:-			
Trade	$ 257,595.46		
C.O.D.	1,078.76	$ 258,674.22	
Notes Payable: - Payment due within 1 year:-			
Berman Leasing Corp. - On Equipment	$ 9,768.00		
Tow Motors Corp. - On Equipment	330.66		
General Motors Accept. Corp. - On Equipm.	1,309.68		
Bankers Trust Co. - On Equipm.	380.60		
Clark Equipment Co.- On Equipment	2,676.00		
General Motor Accept. Corp.-On Equipment	3,034.08		
Adam Black & Sons, Inc.-On Equipment	5,809.88	23,395.10	
Accrued Expenses Payable:-			
Payroll - Last week of March 1967	$ 5,989.61		
Vacation Pay	7,348.12		
Sick Leave	2,381.56	15,719.29	
Withholdings & Payroll Taxes Payable:-			
Income Tax Withheld	$ 2,328.52		
Social Security	2,869.49		
Drivers Insurance	68.40		
Unemployment Compensation Tax-State	1,959.95		
Unemployment Compensation Tax-Federal	290.53		
Labor Insurance	2,369.31	9,886.20	
Income Tax Liability - Bal. Current Year		12,800.10	
Total Current Liabilities			$ 320,474.91
LONG TERM LIABILITIES: -			
Notes Payable:- Portion due after 1 year:-			
Berman Leasing Corp.	$ 40,342.00		
General Motor Accept. Corp.	349.28		
Clark Equipment Co.	339.00		
General Motor Accept. Corp.	1,011.30	$ 42,042.28	
Advances from Customers:-			
Parkers, Inc.		10,000.00	
Total Long Term Liabilities			52,042.28
OTHER LIABILITIES:-			
Accounts Payable to Shareholders:-			
Rodolfo Catinchi		$ 3,409.76	
Reserve for Contingencies		1,500.00	
Suspense Account - Pending Final Settlement		4,080.87	
Total Other Liabilities			[illegible]
Total Liabilities			$ 381,486.82
STOCKHOLDER'S EQUITY: -			
Capital Stock - Authorized 3,000 common shares $100.00 Par Value each	$ 300,000.00		
Less Unissued Capital Stock	261,600.00		
Capital Stock Issued & Outstanding		$ 38,400.00	
Add-Earned Surplus	$ 19,097.17		
Add-Net Surplus for Current Year	51,937.57		
Total Unassigned Surplus		71,034.74	
Stockholder's Equity or Net Worth			107,434.74
TOTAL LIABILITIES AND CAPITAL			$ 488,[illegible]

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Petitioner's (CONEX) Exhibit "P-12"

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San Juan, P. R.

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"EXHIBIT 3"

STATEMENT OF INCOMES AND EARNINGS
For Year Ended on March 31, 1967

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	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
REVENUE FROM SALES:				
South Bound.	$1,152,427.09	$ 167,180.72	$ 315,[illegible].75	$1,635,[illegible].56
North Bound.	386,599.60	5,154.21	23,[illegible].85	415,[illegible].66
South Bound Consolidated . .	416,450.16			416,450.16
Gross Revenue from Sales	$1,955,476.85	$ 172,334.93	$ 339,[illegible].60	$2,467,510.38
LESS COST OF OPERATIONS:-				
Direct Cost:-				
Application of Cost in P. R.	$ 130,629.32	$ 23,758.09	$ 47,793.68	$ [illegible]
Marine Insurance	7,107.87	1,71[illegible].40		[illegible]
Marine Freight South Bound . .	777,703.07	90,045.39	158,410.53	1,026,[illegible]
Marine Freight North Bound . .	193,798.37	1,581.58	17,133.08	[illegible]
Marine Freight Virgin Island .		5,899.53		[illegible]
Inland Freight	93,873.72	11,793.86	64,[illegible].13	[illegible]
Cartage	300,971.61	8,859.63	15,650.34	[illegible]
Cargo Claims.	1,629.72			[illegible]
Rent Terminal			1,075.00	[illegible]
Rent Transportation Equipment		77.04		[illegible]
Commissions to Agents	127,933.00	[illegible]	[illegible]	[illegible]
Total Direct Cost.	$1,732,997.25	$ [illegible]	$ [illegible]	[illegible]
Sales & Promotion:-				
Application of Cost in P.R.	$ 7,1[illegible]	$ [illegible]	$ 1,427.70	$ [illegible]
Soliciting & Entertaining	6,093.47	[illegible]	211.77	[illegible]
Traveling Allowances	[illegible]	[illegible]	[illegible]	[illegible]
Total Sales & Prom. Cost	$ 19,392.19	$ [illegible]	$ [illegible]	$ [illegible]
Financing Cost:-				
Application of Cost in P.R.	$ [illegible]	$ 221.18	$ [illegible]	$ [illegible]
Administrative Overhead:-				
Application of Cost in P.R.	$ 86,541.99	$ 8,915.02	$ 17,934.17	$ 113,[illegible]
Office Expenses	711.93	180.18	1,090.12	[illegible]
Rent Office Equipment . . .	320.30			[illegible]
Stationery & Supplies . . .	1,259.52	1,196.02	780.07	[illegible]
Postage			649.00	[illegible]
Telephone & Telegrams . . .	1,215.22	1,800.93	2,[illegible].18	[illegible]
Auto Expenses	1,490.00	510.00	1,860.00	[illegible]
Legal Expenses	4,[illegible].73		[illegible]	[illegible]
Miscellaneous General Exp.	[illegible]	247.84	[illegible]	[illegible]
Contributions & Gifts . . .	[illegible]			[illegible]
Total Administr. Overhead	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
Total Cost of Operations. .	$1,[illegible].01	$ [illegible]	[illegible]	[illegible]
Net Profit or (Loss) in Opera.	$ 104,[illegible].84	[illegible]	[illegible]	[illegible]
OTHER INCOMES:-				
Miscellaneous Incomes			$ 3,890.10	
LESS OTHER DEDUCTIONS:-				
Loss on Bad Accounts.		$ 3,068.70		
Previous Years Adjustments.		6,541.04		
Loss for Obsolecense of Property		20.11	3,890.10	[illegible]
Net Profit for Current Year				[illegible]
Less Provision for Income Tax.				$ 1,[illegible].77
NET SURPLUS.				

Petitioner's (CONEX) Exhibit "P-12".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
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SCHEDULE TO STATEMENT OF INCOMES AND EARNINGS

COST OF OPERATIONS IN PUERTO RICO
For Year Ended on March 31, 1967
---ooOoo---

DIRECT COST:-		
Transportation Wages	$ 183,378.08	
Payroll Taxes	27,410.41	
Contributions to Welfare Fund.	7,163.84	
Contributions to Group Insurance Plan.	2,061.11	
Vacation Pay - Transportation.	8,484.68	
Sick Leave Pay- Transportation	5,218.18	
Gasoline & Oil	22,953.27	
Marine Insurance.	358.30	
Marine Freight	1,481.39	
Inland Freight	2,025.27	
Air Freight	1,140.05	
Cartage.	518.60	
Trucks & License	3,688.77	
Excise Taxes	3,851.94	
Custom Fees.	1,353.89	
Trucks Parts & Services.	16,064.74	
Perishable Tools	429.12	
Storage.	474.03	
Demurrages	1,423.49	
Tires- New	7,610.32	
Tires- Repaired.	5,954.54	
Cargo Claims	6,049.83	
Accident Claims.	1,187.15	
Terminal Rentals	15,795.00	
Rental of Transportation Equipment	44,002.28	
Installation Cost Amortization	3,012.05	
Security Guard	5,356.48	
Insurance Premiums Auto & Trucks	10,297.01	
Insurance Premiums - Other	11,482.33	
Depreciation - Delivery Eq., Tools & Eq. and Wareh.Eq.	32,806.05	
Total Direct Cost		$ 433,032.20
SALES & PROMOTION:-		
Soliciting and Entertaining.	$ 9,270.62	
Traveling Allowances	2,838.18	
Advertising.	1,290.80	
Total Sales and Promotion		13,399.60
FINANCING COST:-		
Interest Paid.	$ 3,505.46	
Banks Charges & Commissions.	530.33	
Total Financing Cost.		4,035.79
ADMINISTRATIVE OVERHEAD:-		
Office Salaries.	$ 95,702.46	
Employees Bonification	12,300.00	
Payroll Taxes - Office	4,305.01	
Vacation Pay - Office.	4,291.50	
Rent Office Equipment.	6,879.24	
Carried forward.	$ 123,538.21	$ 450,467.59

Petitioner's (CONEX) Exhibit "P-12".

COST OF OPERATIONS IN PUERTO RICO (CONT.)

Brought forward.		$ 480,467.39
ADMINISTRATIVE OVERHEAD: -		
Brought forward.	$ 128,533.21	
Office Expenses.	1,042.87	
Stationery & Supplies.	7,853.73	
Parcel Post & Postage.	1,948.95	
Telephone & Telegrams.	10,185.92	
Auto Expenses.	7,091.15	
Legal Expenses	429.29	
Electricity.	1,197.81	
Water.	190.06	
Dues & Subscriptions	687.24	
Auditing Services.	1,999.97	
Contributions & Gifts.	100.00	
Office Repair.	84.25	
Miscellaneous General Expenses.	2,253.50	
Depreciation - furniture and Fixtures.	584.57	
Total Administrative Overhead		162,497.18
Gross Cost.		$ 642,964.57
Less Revenue from Local Transportation.		195,235.76
NET COST OF OPERATIONS IN PUERTO RICO.		$ 427,728.81

DISTRIBUTION OF REVENUE AMONG DIFFERENT COSTS

Particulars	Gross Cost	Per Cent	Revenue Applied	Net Cost
Direct Cost	$ 433,032.20	.7064%	$130,850.54	$ 302,181.66
Sales & Promotion	13,399.60	.0219%	4,056.66	9,342.94
Financing Cost	4,035.79	.0066%	1,222.56	2,813.23
Administrative Overhead . .	162,497.18	.2651%	49,106.00	113,391.18
Totals	$ 612,964.77	100.00%	$195,235.76	$ 427,728.81

DISTRIBUTION OF NET COST ACCORDING TO CUBIC FEET SHIPPED

PARTICULARS	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
Cubic Feets Shipped	2,245,559	231,324	465,350	2,942,233
	Per C/Feet			
Direct Cost. . . .	$0.1027048	$ 230,629.89	$ 23,758.09	$ 47,793.68	$ 302,181.66
Sales & Promotion	0.003175458	7,130.68	734.56	1,477.70	9,342.94
Financing Cost . .	0.000956154	2,147.10	211.13	444.99	2,813.23
Administr. Overh.	0.0385391	86,543.99	8,915.02	17,934.17	113,391.18
	$0.145375512	$326,449.66	$ 33,628.85	$ 67,650.50	$ 427,728.81

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Petitioner's (CONEX) Exhibit "P-12".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooOoo---

COMPARATIVE STATEMENT OF INCOMES AND EARNINGS
For Years Ended on
---ooOoo---

	NEW YORK			MIAMI			JACKSONVILLE			CONSOLIDATED		
	March 31,			March 31,			March 31,			March 31,		
	1967	1966	Increase or (Decrease)	1967	1966	Increase or (Decrease)	1967	1966	Increase or (Decrease)	1967	1966	Increase or (Decrease)
REVENUE FROM SALES:-												
South Bound	$1,152,427.09	$ 676,099.40	$476,417.69	$167,180.72	$117,017.91	$50,162.81	$315,888.75	$130,048.26	$185,840.49	$1,635,496.56	$ 923,075.57	$712,420.99
North Bound	386,599.60	257,466.38	129,133.22	5,154.21	8,174.42	(3,020.21)	23,809.85	10,391.06	13,418.79	415,563.66	276,031.86	139,531.80
South Bound Consolidated	416,450.16	400,903.56	15,546.60							416,450.16	400,903.56	15,546.60
Gross Revenue from Sales	$1,955,476.85	$1,334,379.34	$621,097.51	$172,334.93	$125,192.33	$47,142.60	$339,698.60	$140,439.32	$199,259.28	$2,467,510.38	$1,600,010.99	$867,499.39
LESS COST OF OPERATIONS :-												
Direct Cost	$1,732,997.25	$1,218,633.67	$514,363.58	$168,598.82	$113,129.60	$55,469.22	$329,869.76	$144,401.52	$185,468.24	$2,231,465.83	$1,476,164.79	$755,301.04
Sales & Promotion	19,392.19	13,451.81	5,940.35	2,561.86	809.81	1,752.05	8,208.21	2,830.45	5,377.76	30,158.26	17,092.10	9,066.16
Financing Cost	2,147.10	373.42	1,773.68	221.18	36.88	184.30	444.95	50.72	394.23	2,813.23	461.02	2,352.21
Administrative Overhead	96,463.47	67,635.67	28,827.80	12,699.79	6,206.45	6,424.34	24,451.84	8,228.27	16,223.57	133,615.30	82,070.39	51,545.91
Total Cost of Operation	$1,851,000.01	$1,300,094.60	$550,905.41	$184,011.85	$120,183.74	$63,830.11	$358,970.76	$155,516.96	$203,453.80	$2,394,082.62	$1,575,773.30	$818,309.32
Net Profit or (loss)in Oper.	$ 104,476.84	$ 34,284.74	$ 70,192.10	$(11,676.92)	$ 5,010.59	$(16,687.51)	$(19,272.16)	$(15,077.64)	$ 4,194.52	$ 73,427.76	$ 24,237.69	$ 49,190.07
Add Other Incomes										3,990.10	590.44	2,399.66
Subtotal										$ 77,417.86	$ 24,828.13	$ 52,589.73
Deduct Other Deductions										2,000.95	212.50	1,788.45
Net Profit for Current Year										$ 67,416.91	$ 24,615.63	$ 42,801.28
Less Provision for Inc. Tax										15,389.34	5,393.46	10,000.88
NET SURPLUS										$ 51,937.57	$ 19,037.17	$ 32,800.40

COMPARATIVE SUMMARY PER CUBIC FEET SHIPPED

VOL. IN CUBIC FEET	2,245,559	1,560,926	684,633	231,324	150,796	80,528	465,350	203,882	261,468	2,942,233	1,915,604	1,026,629
GROSS REV. PER CUBIC FEET	$.8708	$.8549	$.0159	$.7450	$.8302	$(.0852)	$.7300	$.6888	$.0412	$.8387	$.8353	$.0034
COST OF OPERATION PER CUBIC FEET:-												
Direct Cost	$ .7717	$.7807	$(.0090)	$.7288	$.7502	$(.0214)	$.7089	$.7083	$.0006	$.7584	$.7706	$(.0122)
Sales & Promotion	.0086	.0086	- 0 -	.0111	.0054	.0057	.0090	.0139	(.0049)	.0089	.0089	- 0 -
Financing Cost	.0010	.0002	.0008	.0010	.0002	.0008	.0010	.0002	.0008	.0011	.0004	.0007
Administrative Overhead	.0430	.0434	(.0004)	.0576	.0432	.0134	.0525	.0404	.0121	.0454	.0428	.0026
Total Cost of Operat.	$ .8243	$.8329	$(.0086)	$.7955	$.7990	$(.0035)	$.7714	$.7628	$.0086	$.8137	$.8227	$(.0090)
NET PROFIT OR (LOSS) PER FEET	$ .0465	$.0220	$ .0245	$(.0505)	$.0332	$(.0837)	$(.0414)	$(.0740)	$(.0326)	$.0250	$.0126	$ .0123

BARTOLO RIVERA PEREZ — CERTIFIED PUBLIC ACCOUNTANT — AGUADILLA, P. R.

SCHEDULE OF [illegible]
D ACCUMULATED DEPRECIATION
rch 31, 1967

Date of Adquisition	DESCRIPTION	Cost as of 3-31-66	Increase	Cost as of 3-31-67	Deprecia. for Prior Years	Adjustm. to Deprecia.	Rate	Deprecia. for 1966-67	Accumulated Depreciation as of 3-31-67	Book Value As of 3-31-67
WAREHOUSE EQUIPMENT:-										
4-12-65	200 Warehouse Trucks	$ 5,000.00	$	$ 5,000.00	$ 500.00	$	10%	$ 500.00	$ 1,000.00	$ 4,000.00
8-31-65	4 27 Feet Seamobile Boxes	400.00		400.00	23.33		10%	40.00	63.33	336.67
12-2-65	4 36 x 36 6 Wheels Dollies	220.00		220.00	7.33		10%	22.00	29.33	190.67
12-2-65	2 42 x 48 10 Wheels Dollies	150.00		150.00	5.00		10%	15.00	20.00	130.00
12-2-65	1 Dock Ramp 36 x 101 Long	290.00		290.00	9.67		10%	29.00	38.67	251.33
11-2-65	2 Mica Level Dollies	52.15		52.15	2.17		10%	2.21	7.38	44.77
		$ 6,112.15	$	$ 6,112.15	$ 547.50	$		$ 631.21	$ 1,178.71	$ 4,933.44
AUTO & TRUCKS:-										
4-12-65	1 Truck 1963 Motor 413-275 8037 Reg. 318872-6	$ 6,000.00	$	$ 6,000.00	$ 1,500.00	$	25%	$ 1,500.00	$ 3,000.00	$ 3,000.00
"	1 Truck 1963 Motor S8275316F Reg. 318865-5	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Truck 1963 Motor S8275 794F Reg. 318923-4	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Truck 1963 Motor S8 285 0376 Reg. 322691-4	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Truck 1963 Motor S8 285 0077 Reg. 322693-0	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Truck 1963 Motor S8 285 0267 Reg. 322690-6	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Truck 1963 Motor SD 225 585F Reg. 318871-8	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Truck 1963 Motor S8 285 0691F Reg. 322692-2	6,000.00		6,000.00	1,500.00		25%	1,500.00	3,000.00	3,000.00
"	1 Tractor 1962 #102-Motor 365237 Reg. 363319-5	12,000.00		12,000.00	3,000.00		25%	3,000.00	6,000.00	6,000.00
"	1 Tractor 1960 #103-Motor 305614 Reg. 285496-1	7,775.00		7,775.00	1,943.75		25%	1,943.75	3,887.50	3,887.50
"	1 Tractor 1963-#101-Motor RA153596 Reg. 438732-3	16,350.00		16,350.00	4,087.50		25%	4,087.50	8,175.00	8,175.00
"	1 Tractor 1963-#104-Motor 365946 Reg. 365851-9	16,350.00		16,350.00	4,087.50		25%	4,087.50	8,175.00	8,175.00
"	1 Pontiac 1962	1,700.00		1,700.00	425.00		25%	425.00	850.00	850.00
6-8-65	1 Towmotor Lift Truck Model SCOP	3,500.00		3,500.00	729.16		25%	875.00	1,604.16	1,895.84
6-22-65	1 Trailer Fivh. Dorsey Van MT 22664	450.00		450.00	84.38		25%	112.50	196.88	253.12
"	1 Trailer Fiven. Dorsey Van ME 22665	450.00		450.00	84.38		25%	112.50	196.88	253.12
7-23-65	1 Station Wagon Ford 1965	5,362.30		5,362.30	713.74		20%	1,070.86	1,784.60	3,577.70
8-17-65	1 Plataforma Clark	3,879.00		3,879.00	452.55		20%	775.80	1,228.35	2,650.65
"	1 Plataforma Clark	3,890.00		3,890.00	453.83		20%	778.00	1,231.83	2,658.17
11-29-65	1 Stake Body Chevrolet 1 Ton 1962	950.00		950.00	79.17		25%	237.50	316.67	633.33
1-14-66	1 Trailer Day Van 215	450.00		450.00	28.12		25%	112.50	140.62	309.38
6-14-66	1 Pontiac Bonneville 1966 Motor 262 396 P 150636		4,117.89	4,117.89			20%	686.32	686.32	3,431.57
7-6-66	1 Truck Chevrolet 1966 3 Tons		8,728.16	8,728.16			25%	1,636.53	1,636.53	7,091.63
3-27-67	1 Truck Int. 1965 Motor V345 29843 Reg. 476318-0		3,723.27	3,723.27			25%			3,723.27
"	1 Truck Int. 1965 Motor V345 29848 Reg. 476321-0		3,723.27	3,723.27			25%			3,723.27
"	1 Truck Int. 1965 Motor V345 29845 Reg. 476319-7		3,723.27	3,723.27			25%			3,723.27
"	1 Truck Int. 1965 Motor V345 29847 Reg. 476320-2		3,723.27	3,723.27			25%			3,723.27
"	1 Truck Int. 1965 Motor V345 29838 Reg. 476316-3		3,723.27	3,723.27			25%			3,723.27
"	1 Truck Int. 1965 Motor V345 29842 Reg. 476318-9		3,723.27	3,723.27			25%			3,723.27
"	1 Truck Int. 1965 Motor V345 29844 Reg. 480449-8		3,723.26	3,723.26			25%			3,723.26
		$ 121,096.30	$ 61,208.93	$ [illegible]	$ 28,108.98	$		$ 31,940.86	$ 60,109.84	$ 99,099.39

BARTOLO RIVERA PEREZ

ACCOUNTANT

MAYAGUEZ, P. R.

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Petitioner's (CONEX) Exhibit "P-12".

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Petitioner's (CONEX) Exhibit "P-12".

SCHEDULE [illegible] AND ACCUMULATED DEPRECIATION (CONT.)

Date of Acquisition	DESCRIPTION	Cost as of 3-31-66	Increase	[illegible]	Cost as of 3-31-67	Depreciat. for Prior Years	Adjustment to Depreciation	Rate	Deprecia. for 1966-67	Accumulated Depreciation 3-31-67	[illegible] As of 3-31-67
FURNITURE & FIXTURES:-		$ 500.00	$	$	$ 500.00	$ 50.00	$	10%	$ 50.00	$ 100.00	$ [illegible]
4-12-65	10 Used Desks a $50.00 each	900.00			900.00	90.00		10%	90.00	180.00	720.00
"	3 Electric Typewriter Sch. a $300.00 each	250.00			250.00	25.00		10%	25.00	50.00	[illegible]
"	2 Adding Machines a $125.00 each	350.00			350.00	35.00		10%	35.00	70.00	280.00
"	1 Calculating Machine	225.00			225.00	22.50		10%	22.50	45.00	180.00
"	9 Office Files a $25.00 each	300.00			300.00	30.00		10%	30.00	60.00	240.00
"	2 Air Conditioner Units $150.00 each	100.00			100.00	10.00		10%	10.00	20.00	80.00
"	1 Safe Box	600.00			600.00	60.00		10%	60.00	120.00	480.00
"	2 Dictaphone Machines a $300.00	250.00			250.00	25.00		10%	25.00	50.00	200.00
"	1 Pitney Bowens Mailing Machine	399.00			399.00	36.58		10%	39.90	76.48	322.52
"	1 Copy Machine Thermofox	25.00				2.29	4.79	10%	2.50	- 0 -	- 0 -
4-30-65	1 Drum for Programation E-24 CR	124.80			124.80	11.44		10%	12.48	23.92	100.88
4-30-65	1 Typewriter Machine - Underwood-Electric	33.00			33.00	2.75		10%	3.30	6.05	26.95
4-30-65	1 Check Protector	164.14			164.14	13.67		10%	16.41	30.08	134.06
5-31-65	1 Tramp Adapter Index & Guide	377.30			377.30	28.30		10%	37.73	66.03	311.27
"	1 Air Conditioner Unit	69.14			69.14	5.18		10%	6.91	12.09	57.05
6-29-65	2 Verfiler with Venge Guides	98.26			98.26	7.37		10%	9.83	17.20	81.06
7-8-65	1 Portatray - Executive Model	216.75			216.75	16.25		10%	21.67	37.92	178.83
"	1 Water Cooler	35.76			35.76	2.39		10%	3.58	5.97	29.79
7-9-65	1 Metal Stand	229.00			229.00	7.63		10%	22.90	30.53	198.47
7-19-65	1 Electric Adding Machine #6547750	229.00			229.00	7.63		10%	22.90	30.53	198.47
11-30-65	1 Electric Adding Machine #6548263	420.00			420.00	14.00		10%	42.00	56.00	364.00
"	1 Electric Typewriting Scriptor TW9579429	425.00			425.00	7.08		10%	42.50	49.58	375.42
"	1 Air Conditioner Unit	248.50			248.50	2.07		10%	24.85	26.92	221.58
2-10-66	6 Miscellaneous Panels (0514--0402)	190.00			190.00	1.58		10%	19.00	20.58	169.42
3-11-66	1 Steelmaster File H2920L		55.50		55.50			10%	5.55	5.55	49.95
"	1 Miscellaneous Panel 514		92.00		92.00			10%	9.20	9.20	82.80
4-1-66	1 Miscellaneous Panel 402		28.00		28.00			10%	2.80	2.80	25.20
"	1 FSC F5 Panel Cover		460.08		460.08			10%	38.34	38.34	421.74
"	1 Single Pedestal Desk - 50110-9L		484.72		484.72			10%	40.39	40.39	444.33
6-7-66	1 Credenza VC-72-1133		55.20		55.20			10%	4.60	4.60	50.60	
"	1 Modular Top 18 x 72		214.50		214.50			10%	17.87	17.87	196.63
"	1 Executive Posture Chair		149.00		149.00			10%	12.42	12.42	136.58
"	1 Secretarial Desk with lack Panel		46.00		46.00			10%	3.35	3.35	42.65
"	1 Miscellaneous Panel #194310		525.00		525.00			10%	39.38	39.38	485.62
7-1-66	1 IBM Electric Typewriting S. No. 265-6004		15.00		15.00			10%	.87	.87	14.13
"	1 H/Panel #548		46.45		46.45			10%	1.55	1.55	44.90
9-11-66	1 Posture Chair #1837		82.95		82.95			10%	2.76	2.76	80.19
11-30-66	1 Caru-Punch Desk #806		65.46		65.46			10%	2.18	2.18	63.28
"	1 Central Panel Cabinet #1012		12.21		12.21			10%	.41	.41	11.80
"	1 Anilensy Rack #3409		725.00		725.00			10%	18.12	18.12	706.88
12-26-66	1 Divisuma Calculator 24 - S. No. 2782472		139.00		139.00			10%	2.31	2.31	136.69
2-1-67	1 Check Protector Serial 6004		65.00		65.00			10%	1.08	1.08	63.92
"	1 Desk & File Cabinet		102.49		102.49			10%	1.71	1.71	100.78
"	1 Royal Used Typewriting Machine - #HE 13530506		446.25		446.25			10%	3.72	3.72	442.53
2-28-67	1 Multisuma 24 Calculator #63471		50.00		50.00			10%			50.00
3-27-67	1 Used Royal Typewriting										
		$ 6,789.05	$ [illegible]		$ 10,594.46	$ 513.71	$ 4.79		$ 884.57	$ 1,393.49	$ 9,200.97

BARTOLO RIVERA PEREZ

[illegible] BLIC ACCOUNTANT

MAYAGUEZ, P. R.

Petitioner's (CONEX) Exhibit "P-12".

SCHEDULE OF ACCUMULATED DEPRECIATION (CONT.)

Date of Acquis.	Description			Depreciation for Prior Year	Adjustm. to Depreciation	Depreciation for 1967-68	Accumul. Depreciation 3-31-68	Balance as of 3-31-68
TOOLS AND EQUIPMENT-								
6-30-65	1 Air Compressor WBA-7G -1-1/2 H.P.		110.00	77.00		44.00	121.00	319.00
6-30-65	1 Air Operated Grease Pump 20 Lbs.		259.00	5.48		25.90	71.38	187.62
10-27-65	Sundry Tools Invoice 7307 Semeral Tools		178.12	3.23		17.81	49.04	129.08
11-16-65	1 Prensa Hidráulica 50 T		75.20	10.03		7.52	17.55	57.65
11-10-65	1 Set Dados y Llaves		43.75	5.83		4.38	10.21	33.54
11-10-65	1 Volt Ampere Mtr 210		137.60	19.69		13.76	33.25	104.35
11-13-65	1 Jack Aircraft Tester Mtr 216		137.60	19.69		13.76	33.25	104.35
11-13-65	1 Vacuum Pressure Tester Mtr 212		56.53	8.00		5.65	13.65	42.88
11-13-65	1 Jack 4-T-6		161.25	22.84		16.12	38.96	122.29
11-22-65	1 Battery Charger		149.95	19.98		15.00	34.98	114.97
11-15-65	1 Set Drill 1/8"		85.74	12.14		8.57	20.71	65.03
11-15-65	1 503 Drill 1/4"		17.56	2.49		1.75	4.24	13.32
11-15-65	1 Grinder T-1140		94.28	13.36		9.43	22.79	71.49
11-15-65	1 Grinder Inc. Elder		240.00	24.00		24.00	48.00	192.00
3-25-66	1 1/2 A.C. Drl. Elder		111.60	8.37		11.16	19.53	92.07
6-21-66	1 Pulidora [illegible]22		72.90	5.47		7.29	12.76	60.14
6-21-66	1 Grinder [illegible]	99.59	- 0 -	3.32	11.62	0.30	- 0 -	- 0 -
12-1-66	1 Sierra No 315		185.00			13.29	13.29	131.71
5-1-67	Sundry Items Invoice No 199867		111.96			10.26	10.26	101.70
5-1-67	Set Screwdrivers No 573		399.00	29.19		36.80	66.01	332.99
7-1-66	1 3/8 6 Grace Model 205-955							
		99.59	2,907.04	351.70	11.62	296.85	630.53	2,276.51
LEASEHOLD IMPROVEMENTS-								
4-12-65	Improvements Office Urb. Industrial Amillas		30,247.97	5,153.64		3,024.80	8,183.44	22,064.53
6-30-67	Improvements Office Urb. Industrial Amillas		800.00			59.94	59.94	740.06
12-31-67	Improvements Office Mercado Central		3,356.00			167.79	167.79	3,188.21
2-12-68	Improvements Office Mercado Central		400.00			13.32	13.32	386.68
2- 8-68	Improvements Office Mercado Central		360.80			11.96	11.96	348.84
		- 0-	35,164.77	5,153.64	- 0-	3,277.81	8,436.45	26,728.32

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Petitioner's (CONEX) Exhibit "P-13".

NATIONAL SOCIETY
OF
PUBLIC ACCOUNTANT
PUERTO RICO INSTITUTE
CERTIFIED PUBLIC ACCOUNTANTS

BARTOLO RIVERA PEREZ
CERTIFIED PUBLIC ACCOUNTANT
116 E - 11 DE AGOSTO ST.
MAYAGUEZ, P. R. 00708

Tels. [redacted]

May 22, 1968

To the Board of Directors of
Consolidated Express, Inc.
Box 2080
San Juan, Puerto Rico

Dear Sirs:-

In accordance with our agreement, I have made an examination and audit of the books of accounts and other financial records of your business, for the year ended on March 31, 1968, and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matters checked and reviewed.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnished the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

Bartolo Rivera Perez C.P.A.
Independent Auditor

BRP/crc

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Petitioner's (CONEX) Exhibit "P-13".

CONSOLIDATED BANKING, INC.
San Juan, P. R.
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I N D E X

Contents	Page No.
AUDITOR'S LETTER	1
I N D E X	2
HISTORY AND ORGANIZATION	3
DESCRIPTION OF MAJOR AUDIT PROCEDURE	3-4
RESULTS FROM OPERATIONS: -	
Comments	4-5
FINANCIAL STATEMENTS-	
Aging Accounts Receivable-Trade	5
Changes in Financial Position	5-6
Changes in Working Capital	6
Application of Funds	7
O P I N I O N	7
FINANCIAL STATEMENT "EXHIBIT A"	8-9
STATEMENT OF INCOME AND EARNINGS "EXHIBIT B"	10
SCHEDULE TO STATEMENT OF INCOME AND EARNINGS	11-12
COMPARATIVE STATEMENT OF INCOME AND EARNINGS "EXHIBIT C"	13
SCHEDULE OF PROPERTY AND ACCUMULATED DEPRECIATION	14-15-16-17

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Petitioner's (CONEX) Exhibit "P-13".

[illegible] INC.
San Juan, P. R.
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HISTORY AND ORGANIZATION

This corporation was organized under the laws of the Commonwealth of P. R. and registered in the Secretary of State on April 1, 1965, under Registration Number 14,356.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

Its operations were started with an authorized capital stock of 3,000 common shares of $100.00 each or $300,000.00, of which the outstanding capital stock issued and paid-in is as follows:-

Name	Address	Shares	Par Value
Rodolfo Catinchi	Box 2080- -/Juan, P.R.	516	$ 51,600.00
Roy H. Jacobs	760 -12th. Ave.-N.Y.	516	51,600.00
Ginette Catinchi	Box 208[illegible]-/Juan, P.R.	20	2,000.00
Harriet A. Jacobs	760- 12th. Ave.-N.Y.	20	[illegible]
Total Capital Stock Issued and Outstanding		1072	[illegible]

The officers and directors of this corporation, as of the date of this report are the following:-

Name	Position	Term of Office
Rodolfo Catinchi	President	April 30, [illegible]
Roy Jacobs	Vice-President	April 30, [illegible]
Roy Jacobs	Treasurer	April 30, [illegible]
Ginette Catinchi	Secretary	April 30, [illegible]

Its main and official office is located at Urbanización Villa Capri No. 18 J Street, Guaynabo, but the accounting and executive offices are located at C-Building, Mercado Central, Puerto Nuevo and its storage and place of business is in Fort Buchanan.

DESCRIPTION OF MAJOR AUDIT PROCEDURES

My examination was directed primarily to a verification of the financial statement of the corporation, as of March 31, 1968, and to a general review of the results from operations for the year then ended. My examination included a detailed check of all cash and other bookkeeping entries throughout the year, and numerous vouchers and entries were scrutinized in connection therewith.

A personal count of all cash on hand, and a reconciliation of all bank accounts with their monthly statement was made, and found all to be correct and according to the records and books of accounts of the corporation.

A request for verification were sent to customers and others in connection with accounts pending collection at the end of the year. Replies thus far received have been satisfactory, with the exception of minor remarks which are in the process of settlement.

A personal and physical check of all property owned by the corporation at the end of the year under review was made, and a check of all costs [illegible] the books of the company, all found to be correct and according with the [illegible] BARTOLO RIVERA PEREZ — CERTIFIED PUBLIC ACCOUNTANT — MAYAGUEZ, P. R.

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Petitioner's (CONEX) Exhibit "P-13".

... be informed by officers and head employees of this corporation, that all liabilities as of March 31, 1968, were included and accounted therefore, and they assured me that so fas as it aware and to their best knowledge and understanding this corporation had complied with all laws and regulations related with, and specially with that of wages and hours, and that there is no claims nor litigation pending in this connection.

The insurance coverage was checked and found that it covers reasonably the totals of assets and risks related therefore.

To the extent that such vouchers and entries were examined, and based on information obtained from officers and head employees of this corporation, the accounts were found to be correct and in order.

ANALYSIS, COMMENTS AND OPINION

C O M M E N T S:-

RESULTS FROM OPERATIONS

Net earnings for current year after income tax was deducted amounted to $79,783.26 which compared with that of preceding year in the amount of $51,937.57 indicated an increase of $27,845.69.

Gross revenue from sales amounted to $2,714,252.87 and compared with that of last year in the amount of $2,467,510.38 shows an increase of $246,742.49.

The volume in cubic feet shipped during this year was 3,752,252 which compared with 2,942.233 of last year shows an increase of 810,019 cubic feet.

The average earning received for each cubic foot sold was $.7234 and the average cost per cubic foot was $.6999 which shows a net earning of .0235, which compared with that of preceding year in the amount of $.0250 indicates a decrease of $.0015 per cubic foot.

Summarizing, the results from operations increased the stockholder's equity in the amount of $79,783.26 or $74.42 per share which in my opinion is a satisfactory result.

For further information related with the results from operations for this year, refer to "Exhibit C" of this report where you can find a comparison in detailed of the operations for current and preceding years, and you can see the increase and decrease of the differents particulars presented therefore.

FINANCIAL STATEMENT

A N A L Y S I S:-

It is not necessary to make a detailed analysis of all items and particulars included in the financial statement of this corporation, because they are selfexplained as presented on "Exhibit A" of this report, and any information that you may desire related with the financial position of the company, can be found on that statement.

But for the purpose that you be informed with the changes in financial position, changes in working capital and application of funds provided during the current year, and aging of accounts receivable -trade, I present on the following pages some statements and summaries which give you the information mentioned above.

BARTOLO RIVERA PEREZ - CERTIFIED PUBLIC ACCOUNTANT - MAYAGUEZ P. R.

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AGING ACCOUNTS RECEIVABLE-TRADE:-

Aging	Amount	Per Cent
1 to 30 days	$ 208,844.44	64.59%
30 to 60 days	54,646.65	16.90%
60 to 90 days	17,788.35	5.50%
90 days and over	41,292.03	12.77%
Difference Pend. Fin. Settlement	771.41	0.24%
	$ 323,343.18	100.00%

CHANGES IN FINANCIAL POSITION:-

The stockholder's equity changed during current year as shown in the following statements of financial condition:-

COMPARATIVE STATEMENT OF FINANCIAL CONDITION
Between Periods Ended on

	March 31, 1966	1967	Increase or (Decrease)
ASSETS:-			
Current	$ 402,124.91	$ 328,278.89	$ 73,846.02
Fixed	116,812.54	106,447.77	(9,633.23)
Other Assets	49,734.33	[illegible]	[illegible]
Total Assets	$ 568,671.78	$ 433,220.06	$ [illegible]
LESS LIABILITIES:-			
Current	$ 340,369.16	$ 320,474.91	$ [illegible]
Long Term	31,779.37	52,042.23	(20,262.86)
Other Liabilities	2,019.99	8,089.01	[illegible]
Total Liabilities	[illegible]	[illegible]	[illegible]
Stockholder's Equity - Total	$ 194,483.26	$ 107,434.74	[illegible]
Per Share	$ 181.42	$ 295.15	$ (113.73)
Shares Outstanding	1,072	364	708

Increase in stockholder's equity shown above is due to net surplus for current year, less dividends paid in cash. The decrease of the par value per share is due to the stock dividend made during the year.

CHANGES IN WORKING CAPITAL:-

Changes during current year of the working capital of this corporation are set out in the following summary:-

	March 31, 1966	1967	Increase or (Decrease)
CURRENT ASSETS:-			
Cash on hand and in banks:-	$ 50,959.15	$ 14,233.08	$ [illegible]
Accounts Receivable	323,611.16	292,448.93	31,162.23
Loans to Other Companies	11,075.00	14,092.11	(3,017.11)
Prepaid Expenses	11,479.60	4,072.77	[illegible]
Total Current Assets	$ 402,124.91	$ 328,278.89	[illegible]

- Carried forward -

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Petitioner's (CONEX) Exhibit "P-13".

	March 31, 1968	March 31, 1967	Increase or (Decrease)
CURRENT ASSETS:-			
Total Current Assets -Bght. fwd.	$ 402,124.91	$ 328,278.89	$ 73,846.02
LESS CURRENT LIABILITIES:-			
Accounts Payable	$ 162,804.11	$ 256,674.22	$(93,870.11)
Notes Payable - Short Term	124,892.28	23,395.10	101,497.18
Accrued Expenses Payable	16,869.46	15,719.29	1,150.17
Withholding & Payroll Taxes.	13,321.50	9,886.20	3,435.30
Income Tax Liability	22,471.81	17,800.10	4,671.71
Total Current Liabilities	$ 340,369.16	$ 320,474.91	$ 19,894.25
Net Working Capital	$ 61,755.75	$ 7,803.98	$ 53,951.77
Amount of Current Assets for each dollar of Current Liabilities	$1.18	$1.02	$0.16

APPLICATION OF FUNDS:-

Funds received during current year and their disposition may be summarized as follows:-

FUNDS PROVIDED:-		
From Operations:-		
Net Profit as per Statement	$ 110,029.74	
Add Provision for Depreciation and amortization requiring no cash outlay	45,990.64	$ 156,020.38
From Property that was Sold		399.99
From Res. for Contingencies req. no cash outlay		500.00
Total Funds Provided		$165,919.37
LESS FUNDS APPLIED:-		
To the Acquisition of Property:-		
Autos and Trucks	$ 20,964.74	
Furniture & Fixtures	11,613.87	
Tools and Equipment	256.96	
Warehouse Equipment	565.00	$ 33,400.57
To pay improvements to leasehold		4,914.80
To pay income tax for current year		30,246.48
To decrease long term Liabilities		20,242.91
To Pay cost of Key Employees Insurance		11,570.60
To pay increases in Deposits and Bonds		2,102.44
To pay increases in Deposits for Purc./Prop.		50.00
To pay advances in new building		100.00
Deprec. Eliminated from Books of Accounts.		76.62
To pay for Dividends Declared		334.74
To decrease other liabilities		6,846.04
Total Funds Applied		110,134.20
Balance which represents increase in Working Capital		$ 55,785.17

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OPINION

I have examined the financial statement of CONSOLIDATED EXPRESS, INC. as of March 31, 1968, and the related statement of incomes and earnings retained in the business for year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial and incomes and earnings statements, present fairly the financial position of CONSOLIDATED EXPRESS, INC., as March 31, 1968 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 21st. day of May 1968.

BARTOLO RIVERA PUERTO RICO
CONTADOR PUBLICO AUTORIZADO

Bartolo Rivera Peral...
Lic. 1244 - Expires 12-1...

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San Juan, P. R.
---ooOoo---

"EXHIBIT 13"

FINANCIAL STATEMENT
As of March 31, 1968
---ooOoo---

A S S E T S

CURRENT ASSETS:-			
Cash on hand - Petty Cash Fund		$ 950.00	
Cash in Banks:-			
Chase Manhattan Bank- P.R.	$ 5,775.62		
Chase Manhattan Bank- N.Y.	1,089.18		
Bco. Popular de P.R.- S/Juan	6,215.98		
Bco. Cr. & Ahorro Ponceño	36,928.37	50,009.15	$ 50,959.15
Accounts Receivable:-			
Trade		$323,343.18	
Stockholders & Employees		5,267.98	328,611.16
Loans to Other Companies:-			
Valroy Realty Corporation		$ 6,000.00	
Miami San Juan Express		75.00	
Continental Bulk Services		5,000.00	11,075.00
Prepaid Expenses:-			
Public Serv. Commission Licenses		$ 253.59	
Insurance Premiums		8,161.22	
Interest Paid		1,923.87	
Motor Vehicles Plates		1,006.85	
Maintenance Contract		134.07	11,479.60
Total Current Assets			$402,124.[illegible]
FIXED ASSETS:-			
Investments:-			
20 common shares of Deti, Inc. $500.00 Par Value Each			$ 10,000.00

Nov. Property:-	Cost	Acc. Dep.	Book Value	
Autos & Trucks	$180,969.97	$[illegible],400.69	$ 80,569.28	
Furn. & Fixts.	18,135.49	2,530.88	15,604.61	
Furn. & Fixts. Out. P.R.	3,772.84	295.83	3,477.01	
Tools & Equipment	2,907.04	636.93	2,270.11	
Wareh. Equipment	6,677.15	1,785.62	4,891.53	
	$212,462.49	$105,649.95	$106,812.54	106,812.54
Total Fixed Assets				116,812.[illegible]
OTHER ASSETS:-				
Leasehold Improvements		$ 35,162.77		
Less Accumulated Amortization		8,436.45	$ 26,726.32	
Cost of Key Employees Insurance			11,570.60	
Deposit and Bonds			4,137.44	
Advances on New Building			6,766.97	
Deposits for Purchase of Property			250.00	
Organization Expenses			283.00	
Total Other Assets				[illegible]
Total Assets				[illegible]

- Carried forward -

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Total Assets $368,671.26

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:-			
Franklin National Bank - Overdraft			$ 211.73
Accounts Payable:-			
Trade		$158,020.82	
C.O.D.		4,575.31	
Other		46.25	162,642.38
Notes Payable - Payment Due Within One Year:-			
Banco Cr. & Ahorro Ponceño		$ 50,000.00	
Franklin National Bank		63,000.00	
The Bank of Nova Scotia- On Equipment		432.00	
Berman Leasing Corp.- On Equipment . .		9,720.00	
Gen. Motors Accept. Corp.- On Equipment		1,361.28	
Clark Equipment Co. - On Equipment ...		339.00	124,852.28
Accrued Expenses Payable:-			
Payroll		$ 6,683.68	
Vacation Pay		6,057.40	
Sick Leave		4,128.38	16,869.46
Withholdings & Payroll Taxes Payable:-			
Income Tax Withheld		$ 2,576.79	
Social Security		3,626.28	
Driver Insurance		82.80	
Unemployment Compensation Tax - State		2,726.61	
Unemployment Compensation Tax - Federal		403.94	
Labor Insurance		3,899.08	
Union Dues		6.00	13,321.50
Income Tax Liability - Balance Current Year			22,473.81
Total Current Liabilities			$340,369.16
LONG TERM LIABILITIES:-			
Notes Payable - Portion due after one year:-			
The Bank of Nova Scotia		$ 756.00	
Berman Leasing Corp.		31,043.37	$ 31,799.37
Total Long Term Liabilities			31,799.37
OTHER LIABILITIES:-			
Accounts Payable to Shareholders:-			
Rodolfo Catinchi			$ 1,731.59
Suspense Account - Pending Final Settlement			288.40
Total Other Liabilities			2,019.99
Total Liabilities			$374,188.52
STOCKHOLDER'S EQUITY:-			
Capital Stock - Authorized 3,000 common Stock $100.00 Par Value Each		$300,000.00	
Less Unissued Capital Stock		192,800.00	
Capital Stock Issued and Outstanding			$107,200.00
Add: Surplus for the year		$ 79,783.26	
Add: Reserve for Contingencies		7,500.00	87,283.26
Stockholder's Equity or Net Worth			194,483.26
TOTAL LIABILITIES AND CAPITAL			$568,671.78

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"EXHIBIT B"

STATEMENT OF INCOMES AND EARNINGS
For Year Ended on March 31, 1968
---ooOoo---

	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
REVENUE FROM SALES:-				
South Bound	$1,423,993.53	$144,294.74	$307,845.15	$1,876,133.
North Bound	460,953.29	3,326.55	58,243.66	522,523.
South Bound - Consolidated	196,379.59			196,379.
Agency Commissions		30,957.44	28,230.30	59,187.
Cartage		30,491.81	29,536.81	60,028.
Gross Rev. from Sales	$2,081,326.41	$209,070.54	$423,855.92	$2,714,252.
LESS COST OF OPERATIONS:-				
Direct Cost:-				
Applic. of Cost in P.R.	$ 248,902.96	$ 64,339.41	$ 95,062.14	$ 408,304.
Marine Insurance	7,565.72	1,001.87		8,567.
Marine Freight - S/Bound	770,492.99	70,745.39	138,561.33	979,799.
Marine Freight - N/Bound	224,332.87	1,685.81	29,649.12	255,667.
Marine Freight- Virg.Isl.	838.48	2,883.80		3,722.
Inland Freight	94,719.46	13,634.09	51,180.11	159,533.
Cartage	342,016.67	7,873.98	19,993.59	369,884.
Cargo Claims	7,575.44	167.35		7,742.
Commission to Agents	143,934.00	34,000.00	19,000.00	196,934.
Rent Transportation Equip.	1,733.17			1,733.
Total Direct Cost	$1,842,111.76	$196,332.70	$353,446.29	$2,391,890.
Sales and Promotion:-				
Applic. of Cost in P.R.	$ 29,155.49	$ 7,536.48	$ 11,135.17	$ 47,827.
Solic. and Entertaining	12,213.21	187.14	91.63	12,491.
Travelling Allowances	10,745.78	2,472.21	1,562.38	14,780.
Total Sales & Promotion	$ 52,114.48	$ 10,196.53	$ 12,789.18	$ 75,098.
Financing Costs:-				
Applic. of Cost in P.R.	$ 3,621.01	$ 936.02	$ 1,382.95	$ 5,939.
Administrative Overhead:-				
Applic. of Cost in P.R.	$ 77,121.68	$ 19,935.34	$ 29,454.67	$ 126,511.
Office Expenses	6,657.82	1,029.35	1,919.57	9,606.
Rent Office Equipment	339.90			339.
Stationery & Supplies	5,144.31	37.62	40.93	5,222.
Postage			674.33	674.
Telephone & Telegraph	370.21	1,746.02	1,001.81	3,118.
Auto Expenses	1,415.64	559.05	1,044.00	3,018.
Misc. General Expenses	251.70	36.65	64.40	352.
Contributions & Gifts	480.00			480.
Legal Expenses	3,558.35			3,558.
Dues & Subscriptions	562.26		72.00	634.
Total Adm. Overhead	$ 95,922.27	$ 23,344.03	$ 34,272.01	$ 153,538.
Total Cost of Operations	$1,993,769.52	$230,809.78	$401,890.43	$2,626,469.
Net Profit or (Loss)	$ 87,556.89	$(21,738.24)	$ 21,965.49	$ 87,784.
OTHER INCOMES:-				
Adjustment to Prior Years		$ 7,805.33		
Miscellaneous Income		15,298.69	$ 23,604.02	
LESS OTHER DEDUCTIONS:-				
Loss on Bad Accounts		$ 1,298.11		
Loss on Sale of Property		150.00	1,448.11	33,300.
Net Profit for Current Year				$ 130,...
Less Provis				
Net				

BARTOLO RIVERA PEREZ.— CERTIFIED PUBLIC ACCOUNTANT.— MAYAGUEZ, P. R

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SCHEDULE TO STATEMENT OF INCOME AND EARNINGS

COST OF OPERATIONS IN PUERTO RICO
For Year Ended on March 31, 1968
---ooOoo---

DIRECT COST:-		
Transportation Wages	$ 237,928.78	
Payroll Taxes	32,094.77	
Contributions to Welfare Fund	8,703.00	
Contributions to Group Insurance Plan	3,960.76	
Vacation Pay - Transportation	10,386.06	
Sick Leave - Transportation	6,001.71	
Gasoline & Oil	30,521.48	
Marine Freight	1,873.98	
Inland Freight	2,866.47	
Air Freight	1,348.60	
Cartage	576.43	
Taxes	4,084.75	
Custom Fees	424.35	
Truck Post & Services	24,493.39	
Storage	1,377.92	
Demurrages	358.91	
Tires - New	8,509.80	
Tires - Repair	5,713.22	
Cargo Claims /	2,351.84	
Accident Claims	1,260.00	
Terminal Rental	29,793.45	
Rental of Transportation Equipment	42,430.55	
Installation Cost Amortization	12,646.35	
Security Guard	4,008.94	
Insurance Other	8,005.40	
Insurance Premiums - Auto & Trucks	20,313.06	
Depreciation - Del. Equip.; Tools & Eq.; Warch. Eq.	41,214.61	
Total Direct Cost		$ 543,248.[illegible]
SALES AND PROMOTION:-		
Salesman Salaries	$ 36,475.17	
Payroll Taxes - Selling	2,825.83	
Vacation Pay - Selling	1,526.77	
Soliciting and Entertaining	3,854.34	
Traveling Allowances	4,013.00	
Advertising	9,947.16	
Total Sales and Promotion Cost		63,642.27
FINANCING COSTS:-		
Interest Paid	$ 7,874.41	
Bank Charges and Commissions	30.30	
Total Financing Costs		7,904.71
Carried forward		$ 614,795.[illegible]

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COSTS OF OPERATIONS IN PUERTO RICO (Cont.)

Brought forward		$ 614,79[illegible]
ADMINISTRATIVE OVERHEAD:-		
Office Salaries	$ 86,707.88	
Employees Bonification	15,255.00	
Payroll Taxes - Offices	6,593.61	
Vacation Pay - Office	3,562.46	
Rent Office Equipment	6,301.22	
Office Maintenance	95.00	
Office Expenses	3,325.26	
Stationery and Supplies	5,763.76	
Postage	2,850.84	
Cable, Telephone and Telegraph	14,151.66	
Auto Expenses	8,068.20	
Legal Expenses	1,410.30	
Miscellaneous	1,055.80	
Electricity	1,463.58	
Water	113.19	
Dues and Subscription	743.60	
Auditing Fees	3,000.04	
Donation	280.00	
Contingencies	6,000.00	
Depreciation - Furniture & Fixtures	1,494.90	
Total Administrative Overhead		[illegible]
Gross Cost		[illegible]
Less Revenue from Local Transportation		[illegible]
NET COST OF OPERATIONS IN PUERTO RICO		[illegible]

DISTRIBUTION OF REVENUE ACCRUED DURING [illegible]

Particulars	Gross Cost	Per Cent	Rev. Applied	Net [illegible]
Direct Cost	$ 543,248.58	.69374	$ 134,944.07	$ [illegible]
Sales and Promotion	63,642.27	.08134	15,815.13	[illegible]
Financing Costs	7,904.71	.01014	1,964.73	[illegible]
Administrative Overhead	168,315.76	.21498	41,804.07	[illegible]
	$ 783,111.32	100.00%	$ 194,528.00	$ [illegible]

DISTRIBUTION OF NET COST ACCORDING TO CUBIC FEET [illegible]

Particulars	NEW YORK	MIAMI	JACKSONVILLE	[illegible]
Cubic Feet Shipped	2,287,377	591,269	673,606	3,[illegible]
	Per Cubic Ft.			
Direct Cost	$0.1088158	$ 248,902.96	$ 64,3[illegible].41	$ 95,062.14
Sales & Prom.	0.0127462	29,155.49	7,536.48	11,139.17
Financ. Costs	0.0015831	3,621.01	936.02	1,3[illegible].25
Adm. Overhead	0.0337162	77,121.68	19,9[illegible].34	29,[illegible].7[illegible]
	$0.1568613	$ 358,801.14	$ 92,747.29	$ 137,034.83

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Petitioner's (CONEX) Exhibit "P-13".

DEPRECIATION

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Date of Addn.	Description	Cost as of 3-31-68	Depreciat. for prior Years	Adjustment to Depreciat.	Rate	Depreciation for 1967-68	Accum. Depreciation as of 3-31-68
	Trailers:						
1/22/65	200 Warehouse Trucks	$ 5,000.00	$ 1,000.00	$	10%	$ 500.00	$ 1,500.00
[illegible]	4 27'Post Corn Mills Dolly	400.00	63.33		10%	40.00	103.33
12-2-65	4 36 x 36 6 Ton Bulk Sellers	220.00	22.33		10%	22.00	44.33
12-2-65	2 42 x 42 10 Ton Bulk Sellers	150.00	20.00		10%	15.00	35.00
12-2-65	1 Deck Tarp 36 x 101 Tons	290.00	36.67		10%	29.00	65.67
11-2-65	2 Mesa Level Sellers	52.15	7.38		10%	5.21	12.59
6-28-67	1 House Platform Scale Model 5M x [illegible] - 1,000	125.00			10%	12.37	12.37
2-23-66	10 9272-2T	400.00			10%	3.93	3.93
		- 0 -	$ 6,677.15	$ 1,152.71	-	-	[illegible]
	Autos & Trucks:						
4-12-65	1 Truck 1963 Motor [illegible]	$ 6,000.00	$ 3,000.00	$	25%	$ 1,500.00	$ 4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Truck 1963 [illegible]	6,000.00	3,000.00		25%	1,500.00	4,500.00
"	1 Tractor 1963 [illegible]	12,000.00	6,000.00		25%	3,000.00	9,000.00
"	1 Tractor 1963 [illegible]	7,775.00	3,887.50		25%	1,943.75	5,831.25
"	1 Tractor 1963 [illegible]	16,350.00	8,175.00		25%	4,087.50	12,262.50
"	1 Tractor 1963 [illegible]	16,350.00	8,175.00		25%	4,087.50	12,262.50
"	1 Tractor 1963 104 Motor [illegible]	1,700.00	850.00		25%	425.00	1,275.00
"	1 Pontiac 1963 [illegible]	3,600.00	1,800.16		25%	900.00	2,700.16
6-28-65	1 Tow-rator [illegible] Truck Model [illegible]	450.00	225.00		25%	112.50	337.50
6-22-65	1 Trailer Tivoli [illegible]	450.00	196.98		25%	112.50	309.48
6-22-65	1 Trailer [illegible] Jersey Van [illegible] 22666	5,352.30	1,781.10		25%	1,070.16	2,851.26
7-23-65	1 Station Wagon Ford 1965	3,779.00	1,220.35		25%	775.00	2,001.35
8-17-65	1 Platform Clark	3,890.00	1,231.83		25%	775.00	2,006.83
8-17-65	1 Platform Clark	950.00	312.67		25%	237.50	550.17
11-29-65	1 Stake Body Chevrolet 1 Ton 1962	450.00	140.62		25%	112.50	253.12
1-14-66	1 Trailer [illegible] Van 215	4,217.09	606.32		25%	903.53	1,509.85
1-14-66	1 Pontiac Caravelle 1966 Motor 262-326 [illegible]	8,728.16	1,638.53		25%	2,184.04	3,822.57
7-6-66	1 Truck Chevrolet 1966 3 Ton	4,016.53	- 0 -		25%	998.14	998.14
3-27-67	1 Truck Int. 1965 Motor V345 [illegible]	4,016.53	- 0 -		25%	996.14	996.14
3-27-67	1 Truck Int. 1965 Motor V345 [illegible]	4,016.53	- 0 -		25%	996.14	996.14
3-27-67	1 Truck Int. 1965 Motor V345 [illegible]	4,016.53	- 0 -		25%	996.14	996.14
"	1 Truck Int. 1965 Motor V345 [illegible]	4,016.53	- 0 -		25%	996.14	996.14
"	1 Truck Int. 1965 Motor V345 [illegible]	4,016.53	- 0 -		25%	996.14	996.14
"	1 Truck Int. 1965 Motor V345 [illegible]	4,016.53	- 0 -		25%	996.14	996.14
"	1 Truck Int. 1965 Motor V345 [illegible]	4,016.50	- 0 -		25%	996.14	996.14
12-11-67	1 Truck Chevrolet [illegible] 366 12500 1968	3,500.00	- 0 -		25%	218.76	218.76
1-1-68	1 Truck Chevrolet Model 63503H VIN 12197	7,411.94	- 0 -		25%	308.82	308.82
2-27-68	Tow-rator Ford Lift Model 601-F	5,000.00	- 0 -		25%	166.66	166.66
		- 0 -	$170,969.27	$ 60,103.14	- 0 -	$ 10,290.85	$ 60,160.13

Petitioner's (CONEX) Exhibit "P-13".

Date of Acquisi.	Description	Increase	Decrease	Cost as of 3-31-68	Depreciation for Prior Year	Adjustments to Depreciation	RATE	Depreciation for 1967-68	Accumulated Depreciation 3-31-68	Net 3-31-68
	FURNITURE & FIXTURES - Puerto Rico									
4-12-65	10 Steel Desks a $50.00 each			$ 500.00	$ 100.00		10%	$ 50.00	$ 150.00	$
"	2 Electric Typewriter Machines	$ 360.00		660.00	180.00	$ 65.00	10%	65.00	180.00	
"	2 Adding Machines a $125.00 each			250.00	50.00		10%	25.00	75.00	
"	1 Calculating Machine			350.00	70.00		10%	35.00	105.00	
"	9 Office Files a $25.00 each			225.00	45.00		10%	22.50	67.50	
"	2 Air Conditioner Units a $150.00 each			300.00	60.00		10%	30.00	90.00	
"	1 Safe Max			100.00	20.00		10%	10.00	30.00	
"	2 Dictaphone Machines a $300.00 each			600.00	120.00		10%	60.00	180.00	
"	1 Pitney Bowes Mailing Machine			250.00	50.00		10%	25.00	75.00	
4-30-65	1 Copy Machine Thermofax			399.60	79.48		10%	39.83	119.31	
4-30-65	1 Typewriter Machine- Underwood Electric			124.80	23.82		10%	11.83	35.65	
5-31-65	1 Trans Adapter Index & Guide			164.14	32.83		10%	16.41	49.24	
6-29-65	1 Air Conditioning Unit			377.30	66.83		10%	37.13	103.76	27.
7- 9-65	1 Water Cooler			210.75	37.92		10%	21.67	59.59	
7-19-65	1 Metal Stand			35.76	5.97		10%	3.57	9.54	
7-8-65	2 Verfiler with Zone Guides			69.14	12.09		10%	6.91	19.00	
7--65	1 Postatray - Executive Model			98.26	17.20		10%	9.83	27.03	
11-1-65	1 Electrosum [illegible] Electric Adding Machines #6[illegible]750			229.00	30.53		10%	22.90	53.43	
11-1-65	1 Electrosum [illegible] Electric Adding Machines #6[illegible]263			229.00	30.53		10%	22.90	53.43	
11-1-65	1 Electric Typewriter Scripter VU 9579129			420.00	55.00		10%	42.00	98.00	
2-10-66	1 Air Conditioning Unit			435.00	49.58		10%	43.50	93.08	
3-11-66	6 Miscellaneous Panels (0514-0402)			248.50	26.72		10%	24.85	51.57	
3-11-66	1 Steel Master File #2020L			190.00	20.38		10%	19.00	39.38	
4-1-66	1 Miscellaneous Panel 514			55.50	5.55		10%	5.55	11.10	
4-1-66	2 Miscellaneous Panel L02			92.00	9.20		10%	9.20	18.40	
4-1-66	1 P.B.X. FS Panel Cover			20.00	2.00		10%	2.00	4.00	
6- 7-66	1 Simple Pedestal Desk VU-110-92			460.68	38.34		10%	46.01	84.35	
6-7-66	1 Credenza VU-72-1133			484.72	40.39		10%	48.47	88.86	
6-7-66	1 x 5 Executive Posture Chair			214.50	17.87		10%	21.45	39.32	
6-7-66	1 Modular Top 19 x 72			55.20	4.60		10%	5.52	10.12	
6-2-66	1 Secretarial Desk with Back Panel			149.00	12.42		10%	14.90	27.32	
7-1-66	1 Miscellaneous Panel #194310			46.00	3.55		10%	4.60	8.15	
9-11-66	1 Miscellaneous Panel #548			15.00	.87		10%	1.50	2.37	
11-30-66	1 Postures Chair #1837			46.45	1.55		10%	4.64	6.19	
11-30-66	1 Card Puncher Desk #806			82.95	2.76		10%	8.29	11.05	
11-30-66	1 Control Panel Cabinet #C12			65.46	2.18		10%	6.55	8.73	
11-30-66	1 Auxiliar Rack			12.21	.41		10%	1.22	1.63	
12-16-66	1 Division Calculator 2h-8 No. 2742472			725.00	18.12		10%	72.50	90.62	
2-1-67	1 Check Protector Serial 6004			139.00	2.31		10%	13.90	16.21	
5-8-67	1 Secretarial Chair #9510	35.00		35.00	- 0 -		10%	3.21	3.21	
6-1-67	1 IBM Selective Typewriter Serial 1531056	520.00		520.00	- 0 -		10%	45.33	45.33	
6-1-67	1 Secretarial Chair #704	35.00		35.00	- 0 -		10%	3.82	3.82	
6-1-67	1 Time Recorder Serial 10[illegible]46 JR No. BH[illegible]-5	265.00		265.00	- 0 -		10%	22.00	22.00	
6-1-67	1 Air Conditioner Serial 5[illegible]0481	277.00		277.00	- 0 -		10%	23.08	23.08	
6-23-67	1 Water Cooler Serial 42691 No. [illegible]08	287.70		287.70	- 0 -		10%	10.78	10.78	
9- 7-67	Carried forward	$ 1,819.70	$ 300.00	$ 10,492.42	$ 1,341.55	$ 65.00		$ 1,021.35	$ [illegible]	$ [illegible]

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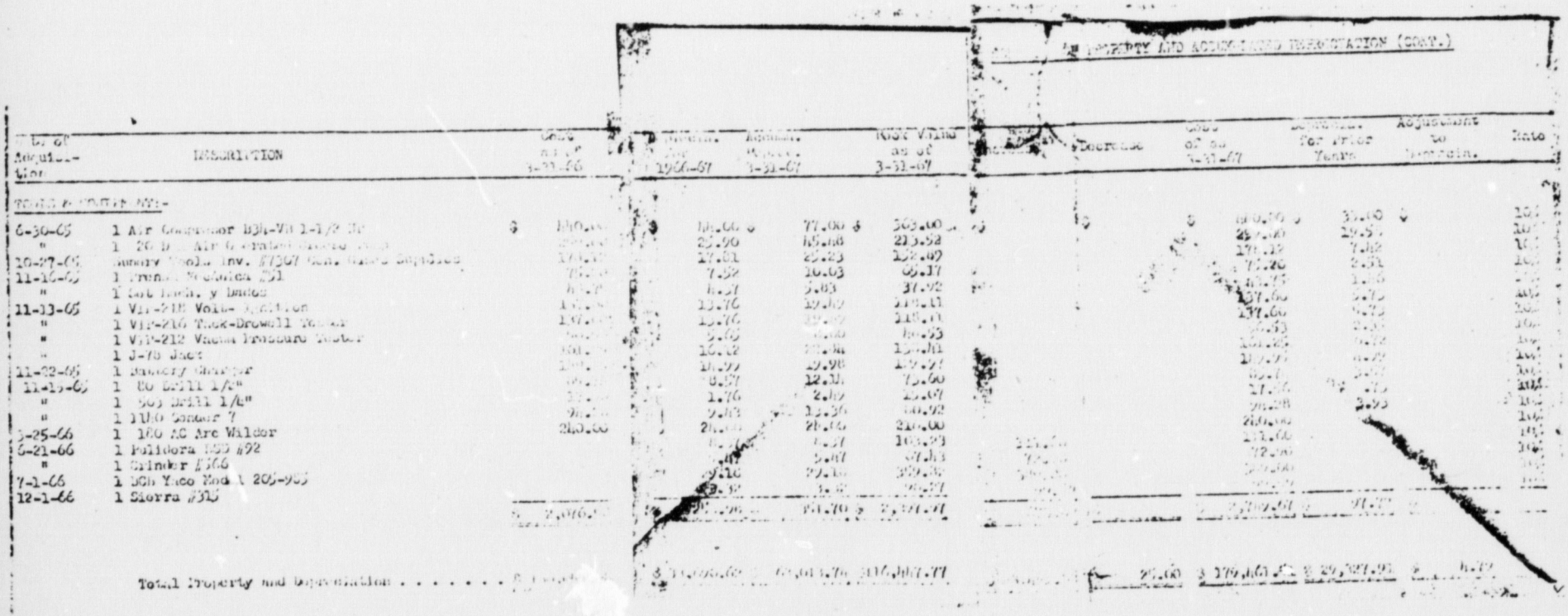
Petitioner's (CONEX) Exhibit "P-13".

Date of Acquisi.	Description	Cost 2-21-67	Average	Cost 3-31-68	Deprecia. for Prior Year	Adjustm. to Deprecia.	Deprecia. Year 1967-68	Accum. Deprec. 3-31-68	Net
FURNITURE & FIXTURES: (Cont.)-									
	Brought forward	$ 9,[illegible]	300.00	$ 10,[illegible]	$ 1,341.35	$ 65.00	$ 1,0[illegible].35	$ 2,[illegible]	[illegible]
10-24-67	1 Air Conditioner Serial 7195901			[illegible]	- 0 -		[illegible]	[illegible]	[illegible]
10-24-67	1 Air Conditioner Serial 7195889			[illegible]	- 0 -		[illegible]	[illegible]	[illegible]
10-27-67	3 Files Legal Size			[illegible]	- 0 -		[illegible]	[illegible]	[illegible]
11-1-67	1 Areco Super Stab.-Copier Model 130 with 1 Super Stand			1,[illegible]	- 0 -		[illegible]	[illegible]	[illegible]
11-1-67	4 Air Conditioners			1,[illegible]	- 0 -		[illegible]	[illegible]	[illegible]
2-19-68	1 Electric Typewriter - I.B.M. Model 702			[illegible]	- 0 -		[illegible]	[illegible]	[illegible]
2-5-68	2 Side Chairs (B&C) Edna Hogar			[illegible]	273.00	- 0 -	[illegible]	[illegible]	[illegible]
2-5-68	1 Bookkeeper (B&C) Edna Hogar			[illegible]	433.00	- 0 -	[illegible]	[illegible]	[illegible]
2-5-68	1 File (B&C) Edna Hogar			[illegible]	416.00	- 0 -	[illegible]	[illegible]	[illegible]
1-30-68	Electric Typewriter Lover 700			[illegible]	371.00	- 0 -	[illegible]	[illegible]	[illegible]
1-31-68	1 Water Cooler			[illegible]	297.70	-0 -	[illegible]	[illegible]	[illegible]
1-17-68	6 Chair Black @ 25.00 each			[illegible]	150.00	- 0 -	[illegible]	[illegible]	[illegible]
2-21-68	Miscellaneous Stands File Room			[illegible]	300.00	-0-	[illegible]	[illegible]	[illegible]
1-11-68	2 Black Secretarial Desks @150.00 each			[illegible]	70.00	- 0 -	[illegible]	[illegible]	[illegible]
12-19-67	Executive Chair			[illegible]	57.00	- 0 -	[illegible]	[illegible]	[illegible]
2-26-68	1 Smith Corona Electric Adding Machine								
		[illegible]	[illegible]	[illegible]	1,341.55	65.00	$ 1,254.33	[illegible]	[illegible]
FURNITURE & FIXTURES: Outside Puerto Rico:-									
5-31-65	1 Check Protector				33.00	6.05	[illegible]	[illegible]	[illegible]
7-1-65	1 I.B.M. Standard Electric Typewriter				525.00	37.33	[illegible]	[illegible]	[illegible]
7-1-67	1 Desk & File Cabinet				65.00	1.66	[illegible]	[illegible]	[illegible]
7-1-67	1 Royal Manual Typewriter (Used)				182.49	1.71	[illegible]	[illegible]	[illegible]
2-28-67	1 Multisuma 24 Calculator SL71				446.25	3.72	[illegible]	[illegible]	[illegible]
3-27-67	1 Royal Typewriter (Used)				50.00	- 0 -	[illegible]	[illegible]	[illegible]
5-1-67	1 Underwood 702 Electric Typewriter 1125082				472.50	- 0 -	[illegible]	[illegible]	[illegible]
5-1-67	1 Underwood 702 Electric Typewriter 1125061				472.50	- 0 -	[illegible]	[illegible]	[illegible]
2-26-67	3 Smith Corona Electric Adding Machines				172.35	- 0 -	[illegible]	[illegible]	[illegible]
3-5-68	1 Office Carpet				525.00	- 0 -	[illegible]	[illegible]	[illegible]
3-7-68	1 Conference Desk 76" x 32"				281.70	- 0 -	[illegible]	[illegible]	[illegible]
3-7-68	1 Executive Chair				140.85	- 0 -	[illegible]	[illegible]	[illegible]
3-7-68	1 Double Pedestal Chair				138.00	- 0 -	[illegible]	[illegible]	[illegible]
3-7-68	1 Executive Posture Chair				121.00	- 0 -	[illegible]	[illegible]	[illegible]
2-67	1 Typewriter				[illegible]	- [illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$ 240.57	[illegible]	[illegible]

Petitioner's (CONEX) Exhibit "P-13".



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Petitioner's (CONEX) Exhibit "P-14".

CONSOLIDATED EXPRESS, INC.

San Juan, P. R.

ANNUAL REPORT FOR YEAR ENDED ON

March 31, 1969

Petitioner's (CONEX) Exhibit "P-14".

EMBER OF:
ONAL SOCIETY
OF
C ACCOUNTANT
RICO INSTITUTE
PUBLIC ACCOUNTANTS

BARTOLO RIVERA PEREZ
CERTIFIED PUBLIC ACCOUNTANT
116 E - 11 DE AGOSTO ST.
MAYAGUEZ, P. R. 00708

P. O. Box 603

TELS. 832-0135
832-6028

May 16, 1969

To the Board of Directors Of
Consolidated Express, Inc.
Box 2030
San Juan, Puerto Rico

Dear Sirs:-

In accordance with our agreement, I have made an examination and audit of the books of accounts and other financial records of your business, for the year ended on March 31, 1969, and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matters checked and reviewed.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnished the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

Bartolo [illegible] C.P.A.
Independent Auditor

BRP/erc

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Petitioner's (CONEX) Exhibit "P-14".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooOoo---

I N D E X

Contents	Page No.
AUDITOR'S LETTER	1
I N D E X	2
HISTORY AND ORGANIZATION	3
DESCRIPTION OF MAJOR AUDIT PROCEDURES	3-4
RESULTS FROM OPERATIONS:-	
Comments	4
FINANCIAL STATEMENT:-	
Aging Accounts Receivable - Trade	5
Changes in Financial Position	5
Changes in Working Capital	5-6
Application of Funds	6
O P I N I O N	7
FINANCIAL STATEMENT "EXHIBIT A"	8-9
STATEMENT OF INCOMES AND EARNINGS "EXHIBIT B"	10
SCHEDULE TO STATEMENT OF INCOMES & EARNINGS	11-12
COMPARATIVE STATEMENT OF INCOMES AND EARNINGS "EXHIBIT C"	13
SCHEDULE OF PROPERTY AND ACCUMULATED DEPRECIATION	14-15-16-17-1

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Petitioner's (CONEX) Exhibit "P-14".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooCoo---

HISTORY AND ORGANIZATION

This corporation was organized under the laws of the Commonwealth of P. R. and registered in the Secretary of State on April 1, 1965 under Registration Number 14,356.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

Its operations were started with an authorized capital stock of 3,000 common shares of $100.00 each or $300,000.00 of which the outstanding capital stock issued and paid-in is as follow:-

Name	Address	Shares	Par Value
Rodolfo Catinchi	Box 2080 - San Juan, P.R.	900	$ 90,000.00
Roy M. Jacobs	760 12th. Ave.- New York	900	90,000.00
Ginette Catinchi	Box 208- San Juan, P. R.	34	3,400.00
Harriet A. Jacobs	760 12th. Ave. -New York	34	3,400.00
Total Capital Stock Issued and Outstanding		1,868	$ 186,800.00

The officers and directors of this corporation, as of the date of this report are the following:-

Name	Position	Term expires
Rodolfo Catinchi	President	April 30, 1970
Roy Jacobs	Vice-President	April 30, 1970
Roy Jacobs	Treasurer	April 30, 1970
Ginette Catinchi	Secretary	April 30, 1970

Its main and official office is located at Urbanización Villa Caparra at No. 18 G Street, Guaynabo, but the accounting and executive offices are located at C-Building, Mercado Central, Puerto Nuevo and its storage and place of business is in Fort Buchanan.

DESCRIPTION OF MAJOR AUDIT PROCEDURES

My examination was directed primarily to a verification of the Financial Statement of the corporation, as of March 31, 1969, and to a general review of the results from operations for the year then ended. My examination extended to a detailed check of all cash and other bookkeeping entries throughout the year, and numerous vouchers and entries were scrutinized in connection therewith.

A personal count of all cash on hand, and a reconciliation of all bank accounts with their monthly statement was made, and found all to be correct and according to the records and books of accounts of the corporation.

A request for verification were sent to customers and others in connection with accounts pending collection at the end of the year. Replies thus far received have been satisfactory, with the exception of minor remarks which are in the process of settlement.

A personal and physical check of all property owned by the corporation at the end of the year under review was made, and a check of all costs figures in the books of the company, all found to be correct and according with the evi-

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Petitioner's (CONEX) Exhibit "P-14".

I was informed by officers and head employees of this corporation, that all liabilities as of March 31, 1969 were included and accounted therefore, and they assured me that so far as it awar[illegible] to their best knowledge and understanding this corporation had complied with all laws and regulations related with, and specially with that of wages and hours, and that there is no claims nor litigation pending in this connection.

The insurance coverage was checked and found that it covers reasonable the totals of assets and risks related therefore.

To the extent that such vouchers and entries were examined, and based on information obtained from officers and head employees of this corporation, the accounts were found to be correct and in order.

ANALYSIS, COMMENTS AND OPINION

COMMENTS:-

RESULTS FROM OPERATION

Net operating loss for the current year amounted to $48,037.28 which compared with the net earnings of the preceding year in the amount of $79,783.26 indicates a decrease in earnings of $127,820.54. This decrease was the result of the maritime strike that affected the island of Puerto Rico during the first months of 1969.

Gross revenue from sales amounted to $2,262,878.58 and compared with that of last year in the amount of $2,714,252.87 shows a decrease of $451,374.29.

The volume in cubic feet shipped and handled during this year was 3,729,447 which compared with 3,752,252 of last year shows a decrease of 22,805.

The average earning received for each cubic foot sold was $.6068 and the average cost per cubic foot was $.6212 which shows a net loss per cubic foot of $.0144 and compared with the net gain per cubic foot of last year in the amount of $.0235 indicates a decrease of $.0379 per cubic foot.

Summarizing, the results from operations decreased the stockholders' equity in the amount of $48,037.28 or $25.72 per share.

For further information related with the results from operations for this year, refer to "Exhibit C" of this report where you can find a comparison in detail of the operations for the current and the preceding year, and you can see the increase and decrease of the different particulars presented.

FINANCIAL STATEMENT

ANALYSIS:-

It is not necessary to make a detailed analysis of all items and particulars included in the financial statement of this corporation, because they are self-explained as presented on "Exhibit A" of this report, and any information that you may desire related with the financial position of the company, can be found on that statement.

But for the purpose that you be informed with the changes in financial position, changes in working capital and application of funds provided during current year, and aging of accounts receivable-trade, I present on the following pages some statements and summaries which gave you the information mentioned above.

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Petitioner's (CONEX) Exhibit "P-14".

ACCOUNTS RECEIVABLE

AGINGS	Amount	Per Cent
1 to 30 days	$ 251,627.70	82.71%
30 to 60 days	39,660.55	13.04%
60 to 90 days	935.88	.30%
90days and over	12,011.58	3.95%
Total	$ 304,235.71	100.00%

CHANGES IN FINANCIAL POSITION:-

The stockholders' equity changed during current year as shown in the following statements of financial condition:-

COMPARATIVE STATEMENT OF FINANCIAL CONDITION
Between Periods Ended on
---o-Ooo---

	March 31, 1969	1968	Increase or (Decrease)
ASSETS:-			
Current.	$ 397,416.51	$ 402,124.91	$ (4,708.40)
Fixed.	148,246.93	116,812.54	31,434.39
Other Assets	78,968.43	49,734.33	29,234.10
Total Assets.	$ 624,631.87	$ 568,671.78	$ 55,960.09
LESS LIABILITIES:-			
Current.	$ 458,154.87	$ 340,369.16	$ 117,785.71
Long Term.	921.92	31,799.37	(30,877.45)
Other Liabilities.	1,182.80	2,019.22	(836.42)
Total Liabilities . . .	$ 460,259.59	$ 374,188.75	$ 86,070.84
Stockholder's Equity - Total . .	$ 164,372.28	$ 194,483.26	$ (30,110.98)
Per Share.	$87.99	$181.42	$(93.43)
Shares Outstanding	1,868	1,072	796

Decrease in Stockholders' Equity shown above is due to the net operating loss for the current year. The decrease of the par value per share is due in part to the net operating loss and in part to the stock dividend made during the year.

CHANGES IN WORKING CAPITAL:-

Changes during current year of the working capital of this corporation are set in the following summary:-

	March 31, 1969	1968	Increase or (Decrease)
CURRENT ASSETS:-			
Cash on hand and in banks	$ 70,940.73	$ 50,939.15	$ 19,001.58
Account Receivable	309,588.65	328,611.16	(19,022.51)
Loans to Other Companies .	7,575.00	11,075.00	(3,500.00)
Prepaid Expenses	9,312.13	11,479.60	(2,167.47)
Notes Receivable	100.00	- 0 -	100.00
Total Current Assets	$ 397,416.51	$ 402,124.91	$ (4,708.40)

- Cont. on next page -

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Petitioner's (CONEX) Exhibit "P-14".

[illegible] CAPITAL-(Cont.)-

	March 31, 1969	1968	Increase or (Decrease)
Total Current Assets -	$ 397,416.51	$ 402,124.91	$ (4,708.40)
LESS CURRENT LIABILITIES:-			
Accounts Payable	$ 286,980.83	$ 162,854.11	$ 124,126.72
Notes Payable - Short Term .	138,621.76	124,852.28	13,769.48
Accrued Expenses Payable . .	20,484.04	16,869.46	3,614.58
Withholding & Payroll Taxes	12,068.24	13,321.50	(1,253.26)
Income Tax Liability	- 0 -	22,471.81	(22,471.81)
Total Current Liabilities	$ 458,154.87	$ 340,369.16	$ 117,785.71
Net Working Capital	$ (60,738.36)	$ 61,755.75	$(122,494.11)
Amount of Current Assets for each dollar of Current Liabilities. ..	($0.87)	$1.18	$(2.05)

APPLICATION OF FUNDS:-

Funds received during current year and their disposition may be summarized as follows:-

FUNDS APPLIED:-

To the Acquisition of Property	$ 98,353.66	
To decrease Long Term Liabilities.	30,877.45	
To Pay Increase in Cost of Key Employees Ins.	22,452.24	
To absorb the Net Operating Loss	48,037.28	
To decrease other liabilities.	837.19	
Depreciation eliminated from the books . . .	24,363.02	
To income tax paid in excess	12,897.06	
To pay dividends in cash	183.26	
Total Funds Applied		$ 238,021.16

FUNDS PROVIDED:-

From Income Tax to be Returned	$ 12,109.56	
From Provision for depreciation and amortization requiring no cash outlay.	60,809.86	
From Deposits and Bonds eliminated	1,937.44	
From Reserve for Contingencies requiring no cash outlay	6,000.00	
From Decrease in Deposit for Purchased of Equipment	250.00	
From Property that was sold	34,420.19	
Total Funds Provided		115,527.05
Balance which represents decrease in Working Capital		$ 122,494.11

Petitioner's (CONEX) Exhibit "P-14".

OPINION:-

I have examined the financial statement of CONSOLIDATED EXPRESS, INC. as of March 31, 1969, and the related statement of incomes and earnings retained in the business for year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial and incomes and earnings statements, present fairly the financial position of CONSOLIDATED EXPRESS, INC. at March 31, 1969 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 16th. day of May 1969.

BARTOLO RIVERA PEREZ
CONTADOR PUBLICO AUTORIZADO
MAYAGUEZ, P. R.

Bartolo Rivera Perez
Lic. #244- Expires 12/1/69

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Petitioner's (CONEX) Exhibit "P-14".

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CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooOoo---

"EXHIBIT A"

FINANCIAL STATEMENT
As of March 31, 1969
---ooOoo---

A S S E T S

CURRENT ASSETS:-			
Cash on Hand	$ 419.33		
Cash on Hand-Petty Cash	950.00	$ 1,369.33	
Cash in Banks:-			
Chase Manhattan B/-N.Y.	3,384.60		
Bco. Popular de P. R.	12,180.30		
Bco. Cr. & Ahorro Ponc.	24,565.99		
Franklin Natl. Bank	29,440.51	69,571.40	$ 70,940.73
Accounts Receivable:-			
Trade	$ 304,235.71		
Stockholders and Employees.	5,352.94		309,588.65
Notes Receivable Trade -Due within 1 year			100.00
Loans to Other Companies:-			
Continental Bulk Services	$ 7,500.00		
Miami San Juan Express	75.00		7,575.00
Prepaid Expenses:-			
Insurance Premiums	$ 8,087.34		
Motor Vehicles Plates	927.66		
Maintenance Contract	197.13	9,212.13	
Total Current Assets			$ 397,416.51
FIXED ASSETS:-			
Investments:-			
20 Common Shares of Deti, Inc. $500.00 P/Value ea.			$ 10,000.00

M/Property:	Cost	Acc. Deprec.	Book Value		
Autos & Trucks	$ 236,219.37	$ 129,144.28	$ 107,075.09		
Furn. & Fixts. Puerto Rico	23,644.44	4,659.20	18,985.24		
Furn. & Fixts.- Outside P.R.	6,119.11	893.20	5,225.91		
Tools & Eq.	3,326.11	958.04	2,368.07		
Warch. Equip.	7,086.93	2,494.31	4,592.62		
	$ 276,395.96	$ 138,149.03	$ 138,246.93	138,246.93	
Total Fixed Assets					148,246.93
OTHER ASSETS:-					
Leasehold Improvements.			$ 35,162.77		
Less Accumulated Amortization			12,364.21	$ 22,798.56	
Cost of Key Employees Insurance				34,022.04	
Deposit and Bonds				2,200.00	
Advances on New Building.				6,706.97	
Organization Expenses				283.00	
Income Tax Paid in Excess				12,837.06	
Total Other Assets					78,847.63
Total Assets					$ 634,631.07

Petitioner's (CONEX) Exhibit "P-14".

FINANCIAL STATEMENT (Cont.)

Total Assets			$624,631.87

LIABILITIES AND STOCKHOLDER'S EQUITY

CURRENT LIABILITIES:-			
Accounts Payable:-			
Trade	$ 279,577.68		
C.O.D.	7,317.65		
Other	85.50	$ 286,980.83	
Notes Payable - Payment due within 1 year:-			
General Motors Acceptance Corp.	$ 1,793.76		
Bank of Nova Scotia	432.00		
Franklin National Bank	86,396.00		
Banco Crédito y Ahorro Ponceño	50,000.00	138,621.76	
Accrued Expenses Payable:-			
Payroll	$ 10,283.73		
Vacation Pay	2,835.84		
Sick Leave	7,364.47	20,484.04	
Withholding and Payroll Taxes Payable:-			
Income Tax Withheld.	$ 2,381.35		
Social Security	4,697.51		
Drivers Insurance	156.80		
Unemployment Compensation Tax-State	1,993.81		
Unemployment Compensation Tax-Fed.	295.38		
Labor Insurance	2,543.39	12,068.24	
Total Current Liabilities			$ 458,154.87
LONG TERM LIABILITIES:-			
Notes Payable - Portion due after one year:-			
The Bank of Nova Scotia	$ 324.00		
General Motors Acceptance Corp.	597.92	$ 921.92	
Total Long Term Liabilities			921.92
OTHER LIABILITIES:-			
Reserve for Uncollected Checks		$ 1,182.80	
Total Other Liabilities			1,182.80
Total Liabilities			$ 460,259.59
STOCKHOLDER'S EQUITY:-			
Capital Stock - Authorized 3,000 common shares $100.00 par value each	$ 300,000.00		
Less Unissued Capital Stock	113,200.00		
Capital Stock Issued and Outstanding		$ 186,800.00	
Less -Net Operating Loss	$ 48,037.28		
Plus Reserve for Contingencies Applied	$ 13,500.00		
Plus Income Tax in Excess 1967-68	12,109.56	25,609.56	22,427.72
Stockholder's Equity or Net Worth			164,372.28
TOTAL LIABILITIES AND CAPITAL			$ 624,631.87

Petitioner's (CONEX) Exhibit "P-14".

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"EXHIBIT B"

STATEMENT OF INCOMES AND EARNINGS
For the Year Ended on March 31, 1969
---ooOoo---

	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
REVENUE FROM SALES:-				
South Bound	$1,524,932.51	$	$	$1,524,932.51
North Bound	464,873.54			464,873.54
Agency Commissions		76,648.24	76,814.06	153,462.30
Cartage		55,234.59	64,375.64	119,610.23
Gross Rev. from Sales	$1,989,806.05	$ 131,882.83	$ 141,189.70	$2,262,878.58
LESS COST OF OPERATIONS:-				
Direct Cost:-				
Applic. of Cost in PR	$ 266,229.59	$ 103,447.49	$ 104,151.17	$ 473,828.25
Marine Insurance	13,505.46	- 0 -	- 0 -	13,505.46
Marine Freight- S/Bound	666,400.68	- 0 -	- 0 -	666,400.68
Marine Freight-N/Bound	217,990.80	- 0 -	- 0 -	217,990.80
Marine Freight-V/Island	2,760.63	- 0 -	- 0 -	2,760.63
Inland Freight	126,793.29	- 0 -	- 0 -	126,793.29
Cartage	359,476.97	- 0 -	- 0 -	359,476.97
Cargo Claims	4,178.77	- 0 -	- 0 -	4,178.77
Commisnions to Agents	201,850.00	- 0 -	- 0 -	201,850.00
Total Direct Cost	$1,859,186.19	$ 103,447.49	$ 104,151.17	$2,066,784.85
Sales and Promotion:-				
Applic. of Cost in PR	$ 28,771.60	$ 11,179.61	$ 11,255.62	$ 51,206.83
Soliciting & Entertain.	12,313.91	- 0 -	- 0 -	12,313.91
Travelling Allowances	11,909.13	- 0 -	- 0 -	11,909.13
Autos Expenses	2,874.41	- 0 -	- 0 -	2,874.41
Total Sales & Prom.	$ 55,869.05	$ 11,179.61	$ 11,255.62	$ 78,304.28
Financing Costs:-				
Applic. of Cost in PR	$ 2,998.25	$ 1,164.99	$ 1,172.92	$ 5,336.16
Bank Charges	24.64	- 0 -	- 0 -	24.64
Total Financing Cost	$ 3,022.89	$ 1,164.99	$ 1,172.92	$ 5,360.80
Administrative Overhead:-				
Applic. of Cost in PR	$ 86,604.71	$ 33,651.53	$ 33,880.44	$ 154,136.68
Office Expenses	4,762.37	- 0 -	- 0 -	4,762.37
Stationery and Supplies	912.53	- 0 -	- 0 -	912.53
Telephone & Telegraph	998.60	- 0 -	- 0 -	998.60
Legal Expenses	4,558.34	- 0 -	- 0 -	4,558.34
Miscellaneous	59.42	- 0 -	- 0 -	59.42
Dues & Subscription	92.50	- 0 -	- 0 -	92.50
Donations	817.60	- 0 -	- 0 -	817.60
Total Adm. Overhead	$ 98,806.07	$ 33,651.53	$ 33,880.44	$ 166,338.04
Total Cost of Operation	$2,016,884.20	$149,443.62	$ 150,460.15	$2,316,787.97
Net Profit or (Loss)	$ (27,078.15)	$(17,560.79)	$ (9,270.45)	$ (53,909.39)
OTHER INCOMES:-				
Adjustment to Prior Years		$ 2,116.58		
Miscellaneous Incomes		9,313.86	$ 11,430.44	
LESS OTHER DEDUCTIONS:-				
Loss on Bad Accounts		$ 4,606.16		
Loss on Sale of Property		952.17	5,558.33	5,872.11
NET OPERATING LOSS				$ (48,037.28)

Petitioner's (CONEX) Exhibit "P-14".

CONSOLIDATED EXPRESS, INC.
San Juan, P.R.
---oo0oo---

SCHEDULE TO STATEMENT OF INCOMES AND EARNINGS

COST OF OPERATIONS IN PUERTO RICO
For the Year Ended on March 31, 1969
---oo0oo---

DIRECT COSTS:-		
Transportation Wages	$ 281,333.51	
Payroll Taxes	31,319.64	
Contributions to Welfare Fund.	10,053.50	
Contributions to Group Insurance Plan.	3,847.13	
Vacation Pay - Transportation.	13,025.60	
Sick Leave - Transportation	13,211.01	
Gasoline and Oil	29,041.39	
Marine Freight.	127.67	
Inland Freight.	4,760.22	
Air Freight.	1,268.91	
Cartage.	512.98	
Taxes	4,941.83	
Custom Fees.	50.00	
Truck Parts and Services	22,431.73	
Storage.	468.30	
Demurrages.	124.97	
Tires - New	200.23	
Tires - Repair.	7,488.65	
Accident Claim.	823.25	
Cargo Claims	3,111.01	
Terminal Rental.	49,396.46	
Rental of Transportation Equipment.	50,914.01	
Installation Cost Amortization	7,213.95	
Security Guard.	4,280.57	
Insurance Other	11,535.84	
Insurance Premiums - Autos & Trucks	21,020.37	
Depreciation -Del. Eq.; Tools & Eq.; Waroh. Eq.	54,156.41	
Total Direct Cost.		$ 626,659.14
SALES AND PROMOTION:-		
Salesmen Salaries.	$ 33,765.25	
Payroll Taxes - Selling.	2,660.56	
Vacation Pay - Selling	1,768.70	
Soliciting and Entertaining.	10,331.24	
Travelling Allowances.	4,329.23	
Auto Expenses	9,072.00	
Advertising.	5,796.68	
Total Sales and Promotion.		67,723.66
FINANCING COSTS:-		
Interest Paid	$ 6,618.62	
Bank Charges and Commissions	437.45	
Total Financing Cost		7,056.07
		$ 701,438.87

Cont. on next page

Petitioner's (CONEX) Exhibit "P-14".

COST OF OPERATIONS IN PUERTO RICO
(Cont.)

Brought forward.		$ 701,438.87
ADMINISTRATIVE OVERHEAD:-		
Office Salaries	$ 114,038.92	
Employees Bonification	9,560.00	
Payroll Taxes - Officers.	9,102.63	
Vacation Pay - Office.	5,971.81	
Rent Office Equipment.	6,797.37	
Office Maintenance.	1,932.20	
Office Expenses.	7,767.47	
Stationery and Supplies.	8,016.76	
Postage.	3,038.07	
Cable, Telephone and Telegraph	19,702.88	
Office Repairs	539.00	
Legal Expenses	2,158.53	
Miscellaneous	1,193.76	
Electricity	1,050.68	
Water	180.38	
Dues and Subscriptions	465.10	
Auditing Fees	3,075.00	
Donation	536.00	
Contingencies.	6,000.00	
Depreciation - Furnitures and Fixtures	2,725.69	
Total Administrative Overhead		203,852.71
Gross Cost.		$ 905,291.62
Less Revenue from Local Transportation		220,783.70
NET COST OF OPERATIONS IN PUERTO RICO		$ 684,507.92

DISTRIBUTION OF REVENUE AMONG DIFFERENT COSTS

Particulars	Gross Cost	Per Cent	Rev.Applied	Net Cost
Direct Cost	$ 626,659.14	69.222%	$ 152,830.89	$ 473,828.25
Sales and Promotion . .	67,723.66	7.481%	16,516.83	51,206.83
Financing Costs	7,056.07	.779%	1,719.91	5,336.16
Administrative Overhead	203,852.75	22.518%	49,716.07	154,136.68
	$ 905,291.62	100.000%	$ 220,783.70	$ 684,507.92

DISTRIBUTION OF NET COST ACCORDING TO CUBIC FEET SHIPPED

Particulars	For Cubic Feet	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
Cubic Feet Shipped. . .		2,095,462	814,223	819,762	3,729,447
Direct Cost	$0.1270505	$266,229.59	$ 103,447.49	$ 104,151.17	$ 473,828.25
Sales & Prom.	0.0137304	28,771.60	11,179.61	11,255.62	51,206.83
Financ.Cost	0.0014308	2,998.25	1,164.99	1,172.92	5,336.16
Adm.O/head	0.0143296	86,604.71	33,651.53	33,880.44	154,136.68
	$0.1835413	$384,604.15	$ 149,443.62	$ 150,460.15	$ 684,507.92

Petitioner's (CONEX) Exhibit "P-14".

COMPARATIVE STATEMENT OF EARNINGS

	NEW YORK			JACKSONVILLE			CONSOLIDATED		
	March 31, 1969	March 31, 1968	Increase or (decrease)	3-31-69	3-31-68	Increase or (decrease)	3-31-69	3-31-68	Increase or (decrease)
South Bound	$1,528,932.51	$1,423,993.53	$104,938.98		$307,145.15	($307,145.15)			
North Bound	464,673.54	460,953.29	3,720.25		58,243.68	(58,243.68)			
Double Bound-Consolidated		194,379.59	(194,379.59)						
Agency Commissions				74,010.24					
Cartage				55,238.60					
	$1,993,606.05	$2,079,326.41	($85,720.36)	$129,248.84	$365,388.83	($236,139.99)			
COSTS OF TRANSPORTATION:									
Direct Cost	$1,859,176.19	$1,842,111.76	$ 17,064.43	$103,147.40	$353,414.22	$(250,266.82)			
Sales and Promotion	55,869.05	52,111.48	3,757.57	11,377.63	12,750.16	(1,372.53)			
Financing Costs	3,022.89	3,631.01	(608.12)	1,174.02	1,382.75	(208.73)			
Administrative Overhead	93,866.07	92,072.57	1,793.50	33,671.73	38,272.81	(4,601.08)			
Total Cost of Service	$2,010,934.20	$1,993,762.82	$ 23,111.38	$149,370.78	$405,819.94	$(256,449.16)			
Net Profit or (Loss)	($ 17,328.15)	($ 85,564.41)	($ 68,236.26)	($ 20,121.94)	($ 40,431.11)	($ 20,309.17)			
Add Other Income									
Sub-total									
Deduct Other Expenses									
Net Profit or (Loss) for Current Year									
Less Provision for Income Tax									
NET PROFIT OR (NET LOSS) AFTER TAX									

COMPARATIVE STATEMENT OF OPERATIONS

Volume in Cubic Feet	2,095,462	2,237,377	(141,915)	216,283	73,006	(53,444)	2,311,745	2,310,383	(22,638)
Gross Rev./Cubic Ft.	$ .2496	$ .2099	$ .0397	$ .1220	$ .4352	$ (.3130)	$ .0063	$ .2234	$ (.0171)
COST OF OPERATION PER CUBIC FOOT:									
Direct Cost	$ .0772	$ .0653	$ .0119	$ .1271	$ .4486	$ (.2715)	$ .0142	$ .0915	$ (.0773)
Sales and Promotion	.0266	.0229	.0038	.0137	.0146	(.0009)	.0010	.0100	(.0090)
Financing Costs	.0015	.0016	(.0001)	.0014	.0016	(.0002)	.0014	.0015	(.0001)
Administrative Overhead	.0472	.0419	.0053	.0413	.0522	(.0109)	.0146	.0147	(.0001)
Total Cost of Operations	$ .9525	$ .9316	$ .0209	$ .1835	$ .5170	$ (.3335)	$ .0212	$ .1177	$ (.0965)
PROFIT OR (LOSS) PER CUBIC FOOT	$ (.0129)	$ .0383	$ (.0512)	$ (.0615)	$ (.0818)	$ .0203	$ (.0149)	$ .1057	$ (.1206)

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Petitioner's (CONEX) Exhibit "P-14".

SCHEDULE [illegible]

[illegible] ASSOCIATED CONFECTIONERS

[illegible], 1969

		Cost as of 3-31-69	Depreciation for Prior Years	Adjustment to Depreciation	RATE	Depreciation for 1969-1969	Accumulated Depr. as of 3-31-69	Book value as of 3-31-69
	[illegible]							
4-12-65	200 Warehouse Trucks	$ 5,000.00	$ 1,500.00		10	$ 500.00	$ 2,000.00	$ 3,000.00
8-31-65	4 27' Semitrailer Vans	400.00	103.33		"	40.00	143.33	256.67
12-2-65	4 36 x 36 Wheels Colliers	220.00	51.33		"	22.00	73.33	146.67
"	2 42 x 48 10 Wheels Colliers	150.00	35.00		"	15.00	50.00	100.00
"	1 Dock Ramp 36 x 100 Long	280.00	67.67		"	28.00	96.67	183.33
11-2-66	2 Mesa Level Colliers	52.15	12.59		"	5.21	17.80	34.35
6-28-67	1 Howes platform scale model 54 x 6 -1,000	165.00	12.37		"	16.50	28.87	136.13
2-23-68	10 9272-2 H T	400.00	3.33		"	40.00	43.33	356.67
3-23-68		409.78	- 0 -		"	40.98	40.98	368.80
		$ 7,086.93	$ 1,785.62			$ 730.69	$ 2,494.31	$ 4,592.62
	AUTOS & TRUCKS							
4-12-65	1 Truck 1963 Motor GR 275038 Reg. 318972-5	$ 6,000.00	$ 4,500.00		25	$ 1,500.00	$ 6,000.00	$ - 0 -
"	1 Truck 1963 Motor GR 275316? Reg. 318985-6	6,000.00	4,500.00		"	1,500.00	6,000.00	- 0 -
"	1 Truck 1963 Motor GR 275794? Reg. 318935-1	6,000.00	4,500.00		"	1,500.00	6,000.00	- 0 -
"	1 Truck 1963 Motor GR 2750322 Reg. 322691-4	6,000.00	4,500.00		"	1,500.00	6,000.00	- 0 -
"	1 Truck 1963 Motor GR 2755077 Reg. 322693-0	6,000.00	4,500.00		"	1,500.00	6,000.00	- 0 -
"	1 Truck 1963 Motor GR 2755267 Reg. 322690-6	6,000.00	4,500.00	5,000.00	"	500.00	- 0 -	- 0 -
"	1 Truck 1963 Motor GR 2755458 Reg. 318971-9	6,000.00	4,500.00		"	1,500.00	6,000.00	- 0 -
"	1 Truck 1963 Motor GR 2755619 Reg. 322692-2	6,000.00	4,500.00		"	1,500.00	6,000.00	- 0 -
"	1 Tractor 1962 Motor 363237 Reg. 363313-5	12,000.00	9,000.00		"	1,500.00	10,500.00	1,500.00
"	1 Tractor 1962 #102 Motor 365031 Reg. 285[illegible]-1	7,775.00	5,831.25		"	1,943.75	7,775.00	- 0 -
"	1 Tractor 1963 #102 Motor FA10359-3 Reg. L30732-3	- 0 -	- 0 -		25	- 0 -	- 0 -	- 0 -
"	1 Pontiac 1962	- 0 -	1,275.00	1,452.05	"	177.05	- 0 -	- 0 -
"	1 Tractor 1963 #104 Motor 365046 Reg. 365051-9	16,350.00	12,262.50		"	3,270.00	15,532.50	817.50
6-8-65	1 Towmotor Lift Truck Model 50C	3,500.00	2,479.16		"	875.00	3,354.16	145.84
6-22-65	1 Trailer Fixell Jersey Van	450.00	307.38	346.88	"	37.50	- 0 -	- 0 -
"	1 Trailer Fixell Jersey Van	- 0 -	369.38		"	112.50	481.88	218.12
7-23-65	1 Station Wagon Ford 1965	3,872.00	2,096.56	3,256.00	20	461.44	- 0 -	- 0 -
8-17-65	1 Platform Clark	3,890.00	2,000.83		"	775.00	2,779.25	1,110.75
"	1 Platform Clark	950.00	554.17		"	778.00	2,767.83	1,122.17
11-29-65	1 Stake Body Chev. 1 Ton 1962	- 0 -	253.12	337.50	25	237.50	791.67	158.33
1-14-66	1 Trailer Van 215	- 0 -	1,562.90	1,726.05	"	84.42	- 0 -	- 0 -
6-24-66	1 Pontiac Bonneville 1966 Motor 262396	5,728.16	3,[illegible]		20	816.15	- 0 -	- 0 -
7-6-66	1 Truck Chev. 1966 - 3 Tons	4,016.53	[illegible]		"	2,112.04	6,000.83	2,727.17
1-27-67	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476371-0	4,016.53	996.14		"	1,001.13	2,000.27	2,001.06
"	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476371-0	4,016.53	996.14		"	1,000.13	2,000.27	2,001.06
"	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476319-1	4,016.53	996.14		"	1,000.13	2,000.27	2,001.06
"	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476320-2	4,016.53	996.14		"	1,000.13	2,000.27	2,001.06
"	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476318-3	4,016.53	996.14		"	1,000.13	2,000.27	2,001.06
"	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476319-7	4,016.53	996.14		"	1,000.13	2,000.27	2,001.06
"	1 Truck Int. 1965 Motor V345-29[illegible] Reg. 476319-8	4,016.50	996.14		"	1,000.12	2,000.27	2,001.06
12-22-67	1 Truck Chev. KD 6836T 124500 1966	3,500.00	2,000.76		"	875.00	1,875.76	2,124.24
3-[illegible]-68	1 Truck Chev. Model C3503A V-8 15197	7,411.94	3,[illegible].42		"	1,852.98	2,161.80	5,250.14
3-29-68	Towmotor Ford Lift Model 6011	8,[illegible]	[illegible]		"	2,000.00	2,166.66	5,[illegible]
		$ 180,200.97	$ 146,549.78	$ 100,400.69	$ 24,383.02	$ 36,050.03	$ 112,867.70	$ 30,[illegible]

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Petitioner's (CONEX) Exhibit "P-14".

Date of Acquis.	Description	Costs of 3-31-69	Accumulated Depreciation (cont.)				Depreciat. for 1968-69	Accumulated Depreciat. 3-31-69	Book Value 3-31-69
			Depreciat. for Prior Years	Adjustments to Depreciation	Rate				
Automobiles (Cont.)-									
	Brought forward	$180,969.97	$ 146,547.78	$ 100,600.69	$ 24,383.02	20%	$ 36,850.03	$ 112,[illegible]	$ 33,[illegible]
5-7-68	Oldsmobile 68 (N.Y.) 8469		4,102.40	- 0 -			782.11	[illegible]	[illegible]
7-19-68	Ford Station Wagon		6,429.79	- 0 -			857.28	[illegible]	[illegible]
7-5-68	Pontiac (N.Y.)		4,559.64	- 0 -			683.91	[illegible]	[illegible]
7-1-68	Chev. 1968 C [illegible] 63[illegible]120 498.		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63 [illegible]22[illegible]		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63[illegible]113-1570		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63[illegible]13[illegible]		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63[illegible]1117[illegible]		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63[illegible]111969		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63[illegible]111000		9,322.22				1,747.91	1,747.91	7,574.31
"	Chev. 1968 C [illegible] 63[illegible]1119675		9,322.22				1,747.91	1,747.91	7,574.31
		[illegible],969.97	[illegible]20.19	$ 236,219.37	$ 100,600.69	$ 24,383.02	$ 53,126.61	$ 129,[illegible]4.28	$ 107,[illegible]
Furniture & Fixtures - Puerto Rico-									
4-12-65	10 Wood Desks a $50.00 each	[illegible]	$ 500.00	$ 150.00		10%	$ 50.00	$ [illegible]	$ 300.00
"	2 Electric Typewriter Machines	[illegible]	648.00	148.00		"	[illegible]	[illegible]	[illegible]
"	2 Adding Machines a $125.00 each	[illegible]	250.00	75.00		"	25.00	100.00	150.00
"	1 Calculating Machine	[illegible]	350.00	105.00		"	35.00	140.00	210.00
"	2 Office Files a $75.00 each	[illegible]	225.00	67.50		"	22.50	90.00	135.00
"	2 Air Conditioner Units a $75.00 each	[illegible]	300.00	90.00		"	30.00	120.00	180.00
"	1 Safe Box	[illegible]	100.00	30.00		"	10.00	40.00	60.00
"	2 Dictaphone Machines a $300.00 each	[illegible]	600.00	180.00		"	60.00	240.00	360.00
"	1 Pitney Bow, Mailing Machine	[illegible]	250.00	75.00		"	25.00	100.00	150.00
4-30-65	1 Copy Machine Thermofax	[illegible]	389.00	116.38		"	39.00	156.23	247.76
4-30-65	1 Typewriter Machine - Underwood Electric	[illegible]	[illegible]89	[illegible]		"	[illegible]	[illegible]	[illegible]
5-31-65	1 Tramp Adaptor Index and Guide	[illegible]	104.14	46.47		"	10.41	62.90	101.24
6-29-65	1 Air Conditioning Unit	377.30	377.30	163.76		"	37.73	141.49	235.81
7-29-65	1 Metal Stand	35.76	35.76	9.54		"	3.57	13.11	22.65
7-8-65	2 Lateral Filing Cabinets	69.14	69.14	19.00		"	6.91	25.91	43.23
7-9-65	1 Water Cooler	210.75	210.75	59.59		"	21.07	81.26	135.49
"	1 Desk Atty. Executive Model	98.26	98.26	27.03		"	9.83	36.86	61.40
11-1-65	1 Electrosumma 20 Electric Adding Machine #6547750	229.00	229.00	53.43		"	22.90	76.33	152.67
"	1 Electrosumma 20 Electric Adding Machine #6547753	229.00	229.00	53.43		"	22.90	76.33	152.67
"	1 Electric Typewriter Scritor #9579[illegible]	420.00	420.00	98.00		"	42.00	140.00	280.00
2-10-66	1 Air Conditioning Unit	425.00	425.00	92.08		"	42.50	134.58	290.42
3-31-66	6 Miscellaneous Panels (514-[illegible]27	264.50	264.50	51.77		"	26.45	78.22	186.28
"	1 Steel Master File #2[illegible]	190.00	190.00	39.58		"	19.00	58.58	131.42
4-4-66	1 Miscellaneous Panel 514	55.50	55.50	11.10		"	5.55	16.65	38.85
"	2 Miscellaneous Panel 402	92.00	92.00	18.40		"	9.20	27.60	64.40
"	1"SC FS Panel Cover	20.00	20.00	4.00		"	2.00	6.40	13.60
6-2-66	1 Single Pedestal Desk #[illegible] 11[illegible]2	[illegible]60.00	[illegible]60.00	[illegible]4.35		"	[illegible]6.47	130.30	329.70
"	1 Credenza 72-72-1133	[illegible]40.72	[illegible]40.72	[illegible]8.22		"	21.45	137.33	307.37
"	1 x 5 Executive Venture Chair	214.50	214.50	37.32		"	5.52	60.77	153.73
"	1 Modular Top 18 x 72	[illegible]5.20	95.20	10.12		"	14.90	15.04	37.62
"	1 Secretarial Desk Pank Panel	141.00	141.00	27.32		"	[illegible].00	42.22	101.78
4-8-66	1 Miscellaneous Panel #19310	46.00	46.00	7.95		"	1.60	12.55	33.45
4-21-66	1 Miscellaneous Panel #547	15.00	15.00	2.37		"	1.50	3.87	11.13
4-30-66	1 Posture Chair #1537	[illegible]6.45	46.45	6.19		"	4.64	10.83	35.62
4-30-66	1 Card Puncher Desk #906	[illegible]2.95	82.95	11.05		"	8.29	19.34	63.61
"	1 Control Panel Cabinet 1917	[illegible]5.46	65.46	8.73		"	6.55	15.28	50.18
"	1 Auxiliar Pack	[illegible]2.21	12.21	1.63		"	1.22	2.85	9.36
		$ [illegible],269.72	[illegible],208.72	$ 2,021.97			220.85	$ 2,902.82	$ 5,305.90

Cont. on next page

SANTOLO RIVERA PEREZ

CERTIFIED ACCOUNTANT

SAN JUAN, P. R.

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Date of Acquisition	Description	Cost as of 3-31-69	Corrected for Prior Yrs.	Adjustments to Depreciation	Rate	Depreciation for 1969	Accumulated Depreciation 3-31-69	Net as of 3-31-69
	Brought forward	$ 8,208.72	$ 1,081.97		10%	$ 820.85	$ 2,902.82	$ 5,305.90
12-12-66	1 Division Calculator 24-S No. 27[illegible]	725.00	90.62		"	72.50	163.12	561.88
2-1-67	1 Clerk Protector Serial 6004	139.00	17.37		"	13.90	31.27	107.73
5-1-67	1 Secretarial Chair #610	35.00	4.71		"	3.50	8.21	26.79
6-1-67	1 IBM Selective Typewriter Serial 4631[illegible]	520.00	43.33		"	52.00	95.33	424.67
"	1 Secretarial Chair #[illegible]	35.00	2.92		"	3.50	6.42	28.58
"	1 Time Recorder Serial [illegible]	80.00	22.66		"	2.50	25.16	54.84
6-23-67	1 Air Conditioner Serial [illegible]	277.00	20.79		"	27.70	48.49	228.51
7-7-67	1 Water Cooler Serial [illegible]	287.70	16.40		"	28.77	45.17	242.53
10-24-67	1 Air Conditioner Serial [illegible]	350.00	14.60		"	35.00	49.60	300.40
"	1 Air Conditioner Serial [illegible]	350.00	14.60		"	35.00	49.60	300.40
10-27-67	3 Files Legal Size	225.00	9.38		"	22.50	31.88	193.12
11-1-67	1 Xerox Copier Alphacopia Model [illegible]	1,563.99	65.15		"	156.36	221.51	1,342.47
"	4 Air Conditioner	1,920.00	80.00		"	192.00	272.00	1,648.00
2-19-68	1 Electric Typewriter - [illegible]	500.00	4.16		"	50.00	54.16	445.84
2-5-68	2 Side Chairs (Tan) Draftsman	273.00	4.56		"	27.30	31.86	241.14
"	1 Drafting [illegible]	439.50	7.32		"	43.95	51.27	388.23
"	1 File (Tan) Draftsman	417.00	6.94		"	41.70	48.64	368.36
1-30-68	Electric Typewriter Model 70[illegible]	371.44	6.19		"	37.14	43.33	328.11
3-31-68	1 Water Cooler	287.70	4.80		"	28.77	33.57	254.13
3-17-68	5 Chairs Tan @ [illegible] each	150.00	2.50		"	15.00	17.50	132.50
2-21-68	Miscellaneous Steel File Cabinets	358.00	3.07		"	35.80	39.07	296.13
2-1-68	2 Black Secretarial Desks - [illegible] each	300.00	7.50		"	30.00	37.50	262.50
12-18-67	Executive Chair	70.00	1.74		"	7.00	8.74	61.26
12-26-68	2 Smith Corona Electric Typewriters	118.90	.49		"	11.89	11.77	107.13
4-19-68	3 Desks	450.00			"	41.25	41.25	408.75
"	1 File (Gray) [illegible]	190.00			"	17.38	17.38	172.62
4-30-68	4 Files (Black) [illegible]	260.00			"	23.87	23.87	236.13
5-10-68	1 Pitney Bowes Ceiling Postage	247.50			"	20.60	20.60	226.90
"	1 Pitney Bowes Scale Model [illegible] Serial 11[illegible]	190.00			"	17.38	17.38	172.62
4-1-69	2 Secretarial Desk at $150.00 each	300.00			"	30.00	30.00	270.00
"	2 Black Chair #[illegible]	110.00			"	11.00	11.00	99.00
12-18-67	1 Executive Desk	115.00			"	2.88	2.88	112.12
"	2 Secretarial Chairs	100.00			"	2.79	2.79	97.21
"	1 Table	25.00			"	.63	.63	24.37
"	1 Sofa LS-2	65.00			"	1.62	1.62	63.38
3-13-68	6 Chairs (Black) No. 410	330.00			"	33.00	33.00	297.00
3-14-68	10 side chairs (Black)	539.00			"	53.92	53.92	485.08
3-14-68	1 conference table	250.00			"	16.72	16.72	233.28
3-14-68	1 IBM Selective Typewriter 4551470	520.00			"	30.34	30.34	489.66
3-17-68	LS-2 Sofa	65.50			"	6.50	6.50	59.00
6-28-68	22 shelves - File Room	77.00			"	3.20	3.20	73.80
2-17-68	514 Panel	18.00			"	.60	.60	17.40
3-28-69	Circuit television system with intercom and paging functions	1,700.00			"	11.33	11.33	1,688.67
		$ 23,[illegible]	$ 2,[illegible]			$ 2,[illegible]	$ [illegible]	$ [illegible]

Petitioner's (CONEX) Exhibit "P-14".

(832a)

Petitioner's (CONEX) Exhibit "P-14".

Date of Acquis.	Description	Cost as of 3-31-68	Increases	Cost as of 3-31-69	Depreciation for Prior Years	Adjustments for Depreciation	Rate	Depreciation for 1968-69	Accumulated Depreciation 3-31-69	[illegible]
[illegible] & Items in Outside Puerto Rico:										
3-31-65	1 Check Protector	33.00		33.00	[illegible]		10%	3.30	12.[illegible]	
7-1-64	1 IBM standard electric typewriter	525.00		525.00	[illegible]			52.50	[illegible]	
9-1-67	1 Desk and file counter	65.00		65.00	7.[illegible]			6.50	[illegible]	
"	1 Royal manual typewriter -used-	[illegible]		102.69	11.[illegible]			10.25	22.20	
2-28-67	1 Multimuse 24 calculator 63471	446.25		446.25	48.34			44.63	92.97	
3-27-67	1 Royal typewriter -used-	50.00		50.00	5.00			[illegible]	15.00	
5-1-67	1 Underwood 702 - Electric Typewriter 1129[illegible]	472.50		472.50	43.34			47.25	90.59	
"	1 Underwood 702- electric typewriter 112[illegible]	472.50		472.50	43.34			47.25	90.59	
2-26-67	2 Smith corona electric adding machines	114.40		114.40	1.44			11.47	12.93	
3-5-68	1 Office Carpet.	546.00		546.00	4.55			54.60	59.15	
3-7-65	1 Conference desk 70" x 30"	245.70		245.70	2.05			24.57	26.62	
"	1 Executive Chair.	100.65		100.65	1.34			10.06	17.40	
"	1 Double pedestal chair.	154.35		154.35	1.22			15.44	16.73	
"	1 executive posture chair.	127.05		127.05	1.06			12.72	13.77	
2-67	1 Typewriter.	200.00		200.00	23.32			20.00	43.32	
4-1-68	1 Large Clean Lucite floor mat.	40.95		40.95				4.10	4.10	
"	1 Small Clean Lucite floor mat.	30.45		30.45				3.05	3.05	
"	2 Cil Walnit Arm Chair at [illegible] each	157.50		157.50				15.75	15.75	
"	1 Cil Walnit 76" Sofa.	337.05		337.05				33.71	33.71	
"	6 Walnit Arm Chairs	270.90		270.90				27.09	27.09	
5-28-68	1 Underwood 702 Electric Typewriter.	436.80		436.80				43.68	43.68	
4-1-68	1 Underwood 706 Electric Typewriter. Serial 1111[illegible]	371.44		371.44				37.14	37.14	
"	1 Stv. 2h Col. 9[illegible]	433.13		433.13				43.31	43.31	
"	1 Cil Walnut Credenza									
"	1 Top 70" x 18"									
"	1 Cil Walnut file and tax drawer	325.50		325.50	- 0 -			32.55	32.55	
"	1 Cabinet with wood doors									
"	1 Cil walnut swinging door with wood base									
		3,[illegible]		6,117.11	295.83			527.37	[illegible]	[illegible]
[illegible] & Items in Puerto Rico:										
2-28-65	1 Air Compressor T-34 V[illegible] 1-1/2 Hp.	[illegible]		160.00	121.00		10%	16.00	145.00	275.00
"	1 Air Operated Grease Pump 70 [illegible]	[illegible]		259.00	71.30		"	25.90	97.20	168.72
10-27-65	Sundry Tools Invoice 7377 Manual [illegible]	178.12		178.12	43.04		"	17.81	60.85	117.27
11-16-65	1 Prensa Mecanica [illegible]	[illegible]		75.20	27.55		"	7.52	35.07	[illegible]
11-10-65	1 Set Rachas y Dados	[illegible]		43.75	10.21		"	4.38	14.59	[illegible]
11-13-65	1 Volt Ignition Kit 21"	137.00		137.00	33.25		"	13.70	47.21	[illegible]
"	1 Jack Prowell Motor [illegible] 71[illegible]	[illegible]		137.00	33.25		"	13.70	46.95	[illegible]
"	1 Vacuum Treasury Junior 711.	[illegible]		56.53	13.65		"	5.65	19.30	[illegible]
"	1 Jacket 78	[illegible]		161.25	39.26		"	16.12	55.38	[illegible]
11-22-65	1 Battery Charger	[illegible]		145.95	34.20		"	15.00	49.20	[illegible]
11-15-65	1 30 Drill 1/2"	[illegible]		85.74	20.71		"	8.57	29.28	[illegible]
"	1 503 Drill 1/8"	[illegible]		17.66	4.24		"	1.77	6.01	[illegible]
"	1 Grinder 7-1180	[illegible]		94.28	22.19		"	9.43	32.22	[illegible]
[illegible]	1 1[illegible] Lathe. Clear.	[illegible]		280.00	68.00		"	28.00	96.00	[illegible]
[illegible]	1 Soldadora [illegible]	[illegible]		111.60	19.53		"	11.16	30.69	[illegible]
[illegible]	1 Grinder 1568	[illegible]		72.90	17.76		"	7.29	25.05	[illegible]
5-1-67	Sundry Items Inv. No. 17[illegible]	[illegible]		185.00	13.79		"	18.50	27.79	[illegible]
"	Set Screwdrivers No. 573	[illegible]		111.96	10.26		"	11.19	21.45	[illegible]
7-1-68	1 [illegible] Bruce Model [illegible]	[illegible]		379.00	69.01		"	37.90	106.91	[illegible]
4-9-68	2 Pingers de vaco	[illegible]		300.00	- 0 -		"	27.50	27.50	[illegible]
12-20-68	1 Sierra Circular Roswell [illegible]	[illegible]		110.07	- 0 -		"	[illegible]	[illegible]	11.[illegible]
		[illegible]		[illegible].11	[illegible].3			[illegible].31	[illegible]	[illegible]

BARTOLO RIVERA PEREZ

[illegible] ACCOUNTANT

MAYAGUEZ, P. R.

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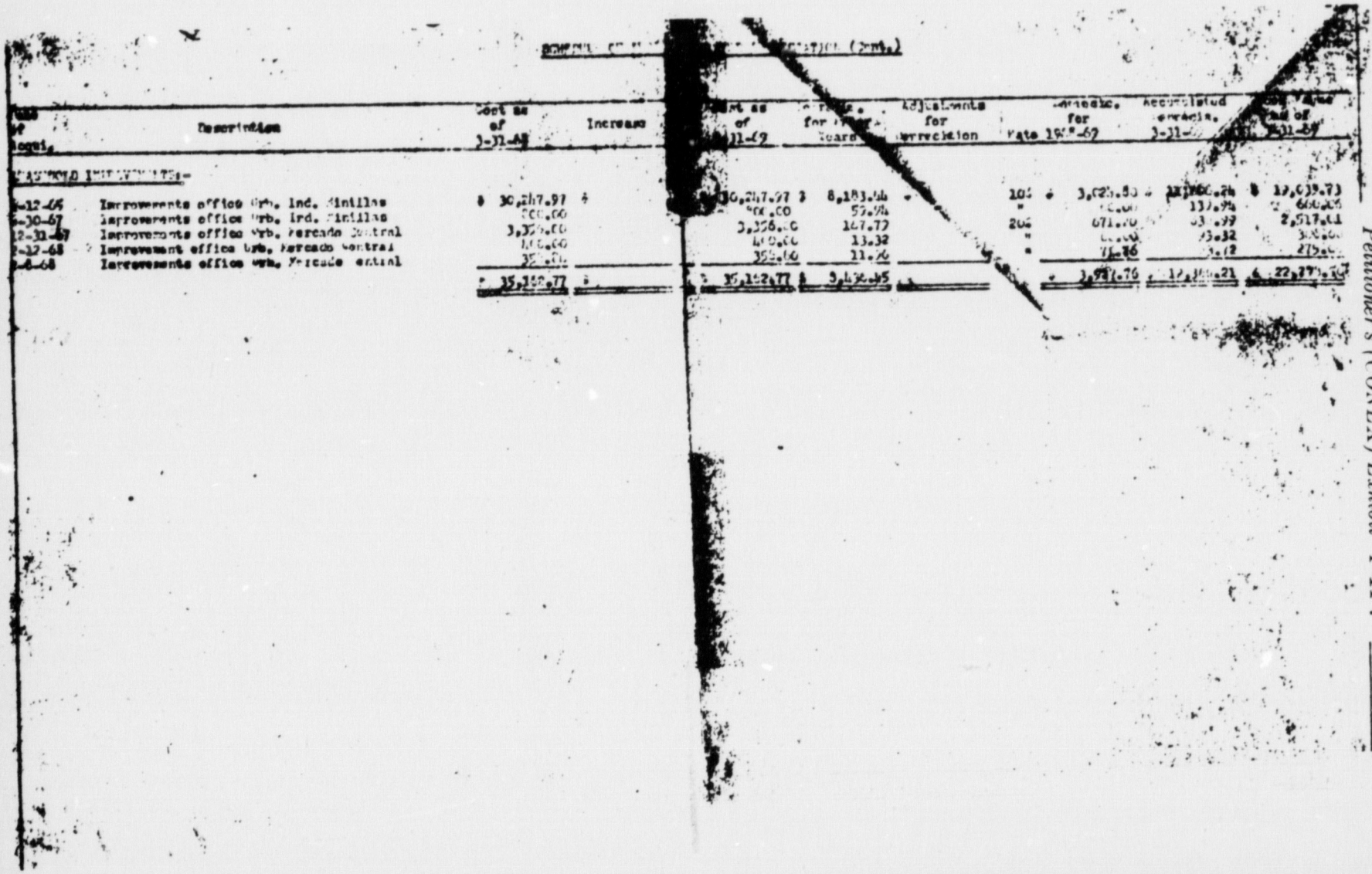

Year Acqui.	Description	Cost as of 3-31-69	Increase	Cost as of 3-31-69	Increase for 12 Months	Adjustments for Correction	Rate	Accrued for 1968-69	Accumulated accrua. 3-31-69	Net Value end of 3-31-69
LEASEHOLD IMPROVEMENTS-										
4-12-65	Improvements office Urb. Ind. Minillas	$ 30,247.97	$	$ 30,247.97	$ 8,183.46		10%	$ 3,025.80	$ 12,760.26	$ 17,039.71
4-30-67	Improvements office Urb. Ind. Minillas	500.00		500.00	52.74		"	50.00	113.74	386.26
12-31-67	Improvements office Urb. Parcada Central	3,356.00		3,356.00	167.77		20%	671.20	83.99	2,517.81
3-27-68	Improvement office Urb. Parcada Central	440.00		440.00	13.32		"	88.00	93.32	346.68
4-8-68	Improvements office Urb. Parcada Central	356.00		356.00	11.16		"	71.36	82.52	273.48
		$ 35,249.77	$	$ 35,249.77	$ 8,436.45			$ 3,906.36	$ 12,833.21	$ 22,416.56

Petitioner's (CONEX) Exhibit "P-14".

634a

Petitioner's (CONEX) Exhibit "P-15".

CONSOLIDATED EXPRESS, INC.

San Juan, P. R.

REPORT FOR THE YEAR ENDED ON

March 31, 1970

Petitioner's (CONEX) Exhibit "P-15".

MEMBER OF
NATIONAL SOCIETY
OF
PUBLIC ACCOUNTANT
PUERTO RICO INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS

BARTOLO RIVERA PEREZ
CERTIFIED PUBLIC ACCOUNTANT
116 E - 11 DE AGOSTO ST.
MAYAGUEZ, P. R. 00708

P. O. Box 903

Tels. 832-0135
832-8028

May 19, 1970

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To the Board of Directors of
Consolidated Express, Inc.
Box 2000
San Juan, Puerto Rico

Dear Sirs:-

In accordance with our agreement, I have made an examination and audit of the books of accounts and other financial records of your business, for the year ended on March 31, 1970 and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matters checked and revieued.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnished the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

Bartolo Rivera Pérez - CPA
Independent Auditor

BRP/crc

Petitioner's (CONEX) Exhibit "P-15".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooOoo---

I N D E X

Contents	Page Nos.
AUDITOR'S LETTER	1
I N D E X	2
HISTORY AND ORGANIZATION	3
DESCRIPTION OF MAJOR AUDIT PROCEDURES	3-4
RESULTS FROM OPERATIONS:-	
Comments	4
FINANCIAL STATEMENTS:-	
Aging of Accounts Receivable - Trade	5
Changes in Financial Position	5
Changes in Working Capital	5-6
Application of Funds	6
O P I N I O N	7
FINANCIAL STATEMENT "EXHIBIT A"	8
STATEMENT OF INCOMES AND EARNINGS "EXHIBIT B"	9-10
SCHEDULE TO STATEMENT OF INCOMES & EARNINGS	11-12
COMPARATIVE STATEMENT OF INCOMES AND EARNINGS "EXHIBIT C"	13
SCHEDULE OF PROPERTY AND ACCUMULATED DEPRECIATION	14-15

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Petitioner's (CONEX) Exhibit "P-15".

CONSOLIDATED [illegible], INC.
San Juan, P. R.
---oOJOo---

HISTORY AND ORGANIZATION

This corporation was organized under the laws of the Commonwealth of Puerto Rico and registered in the Secretary of State on April 1, 1965 under Registration Number 14,356.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

Its operations were started with an authorized capital stock of 3,000 common shares of $100.00 each or $300,000.00 of which the outstanding capital stock issued and paid in is as follows:-

Name	Address	Shares	Par Value
Rodolfo Catinchi	Box 2080 - San Juan, P.R.	900	$ 90,000.
Roy M. Jacobs	760 12th. Ave. -New York	900	90,000.
Ginette Catinchi	Box 2080 - San Juan, P.R.	34	3,400.
Harriet A. Jacobs	760 12th. Ave. -New York	34	3,400.
Total Capital Stock Issued and Outstanding . . .		1,868	186,800.

The officers and directors of this corporation, as of the date of this report are the following:-

Name	Position	Term Expires
Rodolfo Catinchi	President	April 30, 1971
Roy Jacobs	Vice-President	April 30, 1971
Roy Jacobs	Treasurer	April 30, 1971
Ginette Catinchi	Secretary	April 30, 1971

Its main and official office is located at Urbanización Villa Caparra [illegible] Street, Cuaynabo, but the accounting and executive offices are located at [illegible] Mercado Central, Puerto Nuevo and its storage and place of business is in Fort [illegible]

DESCRIPTION OF MAJOR AUDIT PROCEDURES

My examination was directed primarily to a verification of the Financial [illegible] of the corporation, as of March 31, 1970, and to a general review of the results of operations for the year then ended. My examination extended to a detailed [illegible] cash and other bookkeeping entries throughout the year, and numerous vouchers and entries were scrutinized in connection therewith.

A personal count of all cash on hand, and a reconciliation of all bank accounts with their monthly statement was made, and found to be correct and according to the records and books of accounts of the corporation.

A request for verification were sent to customers and others in connection with accounts pending collection at the end of the year. Replies thus far received have been satisfactory, with the exception of minor remarks which are in the process of settlement.

A personal and physical check of all property owned by the corporation at the end of the year under review was made, and a check of all costs figured in the books of the company, all found to be correct and according with the evidences scrutinized.

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Petitioner's (CONEX) Exhibit "P-15".

I was informed by officers and head employees of this corporation, that all l... bilities as of March 31, 1970 were included and accounted therefore, and they ... me that so far as it aware and to their best knowledge and understanding, this co... ration had complied with all laws and regulations related with, and specially with that of wages and hours, and that there is no claims nor litigation pending in this connection.

The insurance coverage was checked and found that it covers reasonably the totals of assets and risks related therefore.

The revenue of one of the insurance policy is based on the total of payroll, and to fix it they carry out an audit on the books of the corporation. Last audit was made during the month of May 1969 and no further examination have been made.

To the extent that such vouchers and entries were examined, and based on information obtained from officers and head employees of this corporation, the accounts were found to be correct and in order.

ANALYSIS, COMMENTS AND OPINION

COMMENTS:-

RESULTS FROM OPERATIONS

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Net operating income for the current year amounted to $53,926.86 which compared with the net loss of the preceeding year in the amount of $48,037.28 indicated an increase in earnings of $101,964.14.

Gross revenue from sales amounted to $2,705,650.13 and compared with that of last year in the amount of $2,262,878.58 shows an increase of $442,771.59.

The volume in cubic feet shipped and handled during this year was 4,050,350 which compared with 3,729,449 of last year shows an increase of 320,903.

The average earning received for each cubic foot sold was $.6680 and the average cost per cubic foot was $.6536 which shows a net gain per cubic foot of .0172 cents with the net loss per cubic foot of last year in the amount of $.0144 indicates an increase of $.0316 per cubic foot.

Summarizing, the results from operations increased the stockholder's equity in the amount of $53,926.86 or $29.94 per share.

For further information related with the results from operations for this year, refer to "Exhibit C" of this report where you can find a comparison in detail of the operations for the current and the preceeding year, and you can see the increase and decrease of the different particulars presented.

FINANCIAL STATEMENT

ANALYSIS:-

It is not necessary to make a detailed analysis of all items and particulars included in the financial statement of this corporation, because they are self-explained as presented on "Exhibit A" of this report, and any information that you may desire related with the financial position of the company, can be found on that statement.

But for the purpose that you be informed with the changes in financial position, changes in working capital and application of funds provided during current year, and aging of accounts receivable-trade, I present on the following pages some statements and summaries which give you the information mentioned above.

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Petitioner's (CONEX) Exhibit "P-15".

AGING OF ACCOUNTS RECEIVABLE - Trade:-

Aging	Amount	[illegible]
1 to 30 days	$ 181,246.04	[illegible]
30 to 60 days	53,928.33	[illegible]
60 to 90 days	16,305.67	[illegible]
90 days and over	27,757.06	[illegible]
	$ 281,237.10	[illegible]

CHANGES IN FINANCIAL POSITION:-

The stockholder's equity changed during current year as shown in the following statement of financial condition:-

COMPARATIVE STATEMENT OF FINANCIAL CONDITION
Between Periods Ended On
---ooOoo---

	March 31, 1970	March 31, 1969	Increase or (Decrease)
ASSETS:-			
Current	$ 384,771.56	$ 397,416.51	$ (12,644.95)
Fixed	154,952.96	148,246.93	7,706.03
Other Assets	84,349.10	78,968.43	5,380.67
Total Assets	$ 622,273.62	$ 624,631.87	$ [illegible]
LESS LIABILITIES:-			
Current	$ 384,796.52	$ 458,154.87	$ (73,358.35)
Long Term	34,067.70	921.92	33,145.78
Other Liabilities	1,240.27	1,182.80	57.47
Total Liabilities	$ 420,104.49	$ 460,259.59	$ (40,155.10)
STOCKHOLDER'S EQUITY - Total	$ 202,169.13	$ 164,372.28	$ 40,796.85
Per Share	$109.83	$87.99	$21.84
Shares Outstanding	1,868	1,868	- 0 -

The increase in the stockholder's equity shown above is due to the net operating income for the current year after the provision for income tax has been deducted.

CHANGES IN WORKING CAPITAL:-

Changes during current year of the working capital of this corporation are set in the following summary:-

	March 31, 1970	March 31, 1969	Increase or (Decrease)
CURRENT ASSETS:-			
Cash on hand and in banks	$ 72,565.37	$ 70,940.73	$ 1,624.64
Accounts Receivable	286,675.15	309,588.65	(22,913.50)
Loans to Other Companies	7,700.00	7,575.00	125.00
Prepaid Expenses	17,830.64	9,212.13	8,618.71
Notes Receivables		100.00	(100.00)
Total Current Assets	$ 384,771.56	$ 397,416.51	$ (12,644.95)

Petitioner's (CONEX) Exhibit "P-15".

CHANGES IN WORKING CAPITAL:- (Contd.)

	March 31, 1970	March 31, 1969	Increase or (Decrease)
Total Current Assets- B/forward	$ 384,771.38	$ [illegible]	$ [illegible]
LESS CURRENT LIABILITIES:-			
Accounts Payable	$ 240,263.48	$ 286,980.83	$ (43,717.35)
Notes Payable - Short Term	80,175.12	130,621.76	(50,446.64)
Accrued Expenses Payable	37,583.33	20,482.04	17,101.29
Withholding & Payroll Taxes	22,069.02	12,068.24	10,000.78
Income Tax Liability	1,703.57	- 0 -	1,703.57
Total Current Liabilities	$ 384,796.52	$ 450,154.87	$ (73,358.35)
DEFICIT IN WORKING CAPITAL	$ (25.14)	$ (60,736.36)	$ (60,711.22)
Amounts of Current Assets for each dollar of Current Liabilities	$0.99	$(0.87)	$1.86

APPLICATION OF FUNDS:-

Funds received during current year and their disposition may be summarized as follows:-

FUNDS PROVIDED:-		
From Net Income of the Year	$ 55,926.66	
From Property that was sold	36,537.70	
From Provision for Depreciation and amortization requiring no cash outlay	63,382.05	
From Investment eliminated from the books	10,000.00	
From the Increase in other Liabilities	57.47	
From the Increase in Long Term Liabilities	33,145.78	
Total Funds Provided		$ 199,049.66
FUNDS APPLIED:-		
To pay Income Tax for the Year	$ 15,130.01	
To the Acquisition of Property	77,466.09	
To eliminate from the books depreciation of property that was sold	36,231.93	
To increase Other Assets	9,508.43	
Total Funds Applied		[illegible]
Balance which represents decrease in Deficit of Working Capital		$ 60,712.20

Petitioner's (CONEX) Exhibit "P-15".

[illegible]

I have examined the financial statement of CONSOLIDATED EXPRESS, INC. as of March 31, 1970, and the related statement of incomes and earnings retained in the business for year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial and incomes and earnings statements, present fairly the financial position of CONSOLIDATED EXPRESS, INC. at March 31, 1970 and the results of its operations for the year then ended, in conformity with generall accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 19th. day of May 1970.

BARTOLO RIVERA PEREZ
CONTADOR PUBLICO AUTORIZADO
MAYAGUEZ, P. R.

Bartolo Rivera Pérez - C. P. A.
Lic. #244 - Expires 12/1/70

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"EXHIBIT A"

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... 1979

ASSETS

ASSETS:-		
...on hand - General Funds	$ 807.55	
...on hand - Petty Cash	1,239.02	$ 2,057.55
...n Banks:-		
...se Manhattan -N.Y.	$ 5,316.77	
...nco Popular de P.R.	22,617.40	
...o. Crédito & Ahorro Ponceño	31,479.65	
...nklin National Bank	11,294.17	70,316.99 $ 72,374.54
...nts Receivable:-		
...de	$ 261,237.10	
...ckholders and Employees	5,430.93	266,67...
...o Other Companies		7,700.00
...id Expenses:-		
...surance Premiums	$ 8,065.92	
...tor Vehicles Plates	850.50	
...intenance Contract	485.27	
...t	1,900.00	
...torest	6,331.13	17,...
...Current Assets		$ ...
...ED:-		
...nal Property:-	Cost	Acc. Depr. Book Value
...tos & Trucks	$ 273,594.37	$ 148,220.40 $ 125,373.97
...rn. & Fixt-Pto.Rico	26,876.73	7,129.67 19,746.06
...rn. & Fixt-Out.-PR	6,119.11	1,504.97 4,614.14
...ols & Equipment	3,647.41	1,313.17 2,334.24
...rehouse Equipment	7,...	... 3,...
Totals	$ 317,...	$ 161,... $ 155,...
...tal Fixed Assets		
...ER:-		
...hold Improvements	$ 32,162.77	
...Accumulated Amortization	16,291.77	$ 1,...
...of Key Employees Insurance		...
...its & Bonds		1,...
...ses on New Building		6,...
...isation Expenses		...
...tal Other Assets		
...		

LIABILITIES AND STOCKHOLDERS' EQUITY

...T LIABILITIES:-		
Accounts Payable:-		
Trade	$ 243,...	
Others	...	$ 241,...
Notes Payable - Payment due within 1 year:-		
Banco Crédito & Ahorro Ponceño	$ 19,...	
General Motors	...	
International Copy	...	
Franklin National Bank	...	80,175.12
Accrued Expenses Payable:-		
Payroll	$ 9,...	
Vacation Pay	11,...	
Sick Leave	12,324.00	
Employees Bonification	...	37,...
Withholding & Payroll Taxes Payable:-		
Income Tax Withheld	$ 3,...	
Social Security	4,...	
Drivers Social Security	274.40	
Insular Unemployment Compensation	3,...	
Federal Unemployment Compensation	214.72	
Labor Insurance	6,...	
Disability Insurance	...	22,...
Income Tax Payable		1,...
Total Current Liabilities		$ ...
...G ... LIABILITIES:-		
Notes Payable - Payment due after 1 year:-		
Banco Crédito & Ahorro Ponceño	$ 27,...	
Franklin National Bank	...	
Total Long Term Liabilities		34,...
...ED LIABILITIES:-		
Reserve for Uncollected Checks	$ 1,269.37	
Total Other Liabilities	...	
Total Liabilities		$ 42...
...CKHOLDERS' EQUITY:-		
Capital Stock - Authorized 3,000 common shares ($100.00 Par Value Each	$ ...,000.00	
Less: Unissued Capital Stock	...	
Capital Stock Issued and Outstanding		$ 16,...
Deficit for 1978-79	$ 22,427.72	
Net Income for the Year	$ ...,...	
Less: Provision for Income Tax	...	... 1,...
Stockholder's Equity or Net Worth		...
...AL LIABILITIES AND STOCKHOLDERS' EQUITY		$ ...

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Petitioner's (CONEX) Exhibit "P-15".

San Juan, P. R.
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"EXHIBIT B"

STATEMENT OF INCOMES & EARNINGS
For The Year Ended on March 31, 1970
---oOOOo---

	NEW YORK	MIAMI	JACKSONVILLE	Total
REVENUE FROM SALES:				
South Bound	$1,000,001.91	$		$1,000,001.91
North Bound	543,352.01			543,352.01
Agency Commissions		61,349.01	79,822.54	141,171.55
Cartage		94,056.14	124,267.68	221,123.82
Gross Revenue From Sales	$2,043,353.92	$ 155,405.99	$ 204,090.22	$2,402,850.13
LESS COST OF OPERATIONS:-				
Direct Costs:-				
Appl. of Cost in P.R.	$ 326,153.36	$ 109,268.96	$ 142,304.80	$ 577,727.12
Marine Insurance	14,634.01			14,634.01
Marine Freight-S/Bound	735,035.03			735,035.03
Marine Freight-N/Bound	232,734.03			232,734.03
Marine Freight-V/Island	2,360.10			2,360.10
Inland Freight	136,297.65			136,297.65
Cartage	119,964.56			119,964.56
Cargo Claims	6,413.60			6,413.60
Commissions to Agents	203,750.00			203,750.00
Gasoline and Oil	39.97			39.97
Handling - South Bound	137,991.34			137,991.34
Handling - North Bound	59,770.11			59,770.11
Cont Transportation Equip.	28,352.18			28,352.18
Total Direct Cost.	$2,047,495.94	$ 109,268.96	$ 142,304.80	$2,299,069.70
Sales and Promotion:-				
Appl. of Cost in P.R.	$ 30,717.17	$ 10,290.96	$ 13,402.25	$ 54,410.38
Soliciting & Entertaining	14,890.81			14,890.81
Traveling Allowances	5,339.24			5,339.24
Auto Expenses	4,993.75			4,993.75
Total Sales & Promotion	$ 55,940.97	$ 10,290.96	$ 13,402.25	$ 79,634.18
Financing Costs:-				
Applic. of Cost in P.R.	$ 3,667.00	$ 1,222.03	$ 1,591.52	$ 6,480.55
Bank Charges	42.23			42.23
Total Financing Cost	$ 3,709.23	$ 1,222.03	$ 1,591.52	$ 6,522.78
Administrative Overhead:-				
Applic. of Cost in P.R.	$ 129,944.22	$ 43,199.28	$ 56,259.99	$ 229,403.49
Office Expenses	8,198.49			8,198.49
Stationery and Supplies	1,011.11			1,011.11
Telephone and Telegraph	1,666.67			1,666.67
Legal Expenses	2,959.31			2,959.31
Miscellaneous	150.00			150.00
Dues and Subscriptions	156.60			156.60
Donations	70.33			70.33
Total Adm. Overhead	$ 144,156.73	$ 43,199.28	$ 56,259.99	$ 243,615.00
Total Cost of Oper.	$2,249,131.87	$ 163,981.22	$ 213,558.56	$2,626,671.65
Net Profit or Loss	$ 44,240.27	$ (8,575.24)	$ (9,468.43)	$ 26,196.60

Petitioner's (CONEX) Exhibit "P-15".

STATEMENT OF INCOME & EARNINGS (Cont.)

Net Profit from Operations -Brought forward			$ 69,5[illegible].7
OTHER INCOMES:-			
Adjustment to Prior Years	$ 295.07		
Miscellaneous Incomes	531.41		
Total Other Incomes		$ 826.48	
LESS OTHER DEDUCTIONS:-			
Loss on Investments	$ 10,000.00		
Loss ob Bad Accounts	3,[illegible]1.[illegible]		
Loss from Obsolescence	[illegible]		
Total Other Deductions		13,[illegible].12	[illegible]
Net Profit for Current Year			$ [illegible]
Less Provision for Income Tax			[illegible]
NET SURPLUS			$ [illegible]

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Petitioner's (CONEX) Exhibit "P-15".

San Juan, ...
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SCHEDULE TO STATEMENT OF INCOME AND EARNINGS

COST OF OPERATIONS IN PUERTO RICO
For Year Ended on March 31, 1970
---oOo---

DIRECT COSTS-

Transportation Wages	$ 311,[illegible]
Payroll Taxes	[illegible]
Contributions to Welfare Fund	[illegible]
Contributions to Group Insurance Plan	4,[illegible]
Vacation Pay - Transportation	[illegible]
Sick Leave - Transportation	[illegible]
Gasoline and Oil	[illegible]
Marine Insurance	1,[illegible]
Marine Freight	[illegible]
Inland Freight	[illegible]
Air Freight	[illegible]
Cartage	[illegible]
Taxes	11,[illegible]
Excise Taxes	[illegible]
Custom Fees	[illegible]
Truck Parts and Services	19,092.92
Storage	[illegible]
Demurrages	[illegible]
Tires - New	[illegible]
Tires - Repairs	[illegible]
Accident Claims	[illegible]
Cargo Claims	[illegible]
Terminal Rental	[illegible]
Rental of Transportation Equipment	[illegible]
Installation Cost Amortization	[illegible]
Security Guard	[illegible]
Insurance Other	[illegible]
Insurance Premiums- Auto & Trucks	[illegible]
Depreciation -Bld.-Equipm., Tools & Equipm.-March.	[illegible]
Total Direct Cost	[illegible]

SALES & PROMOTION-

Salesmen Salaries	$ [illegible]
Payroll Taxes- Selling	[illegible]
Vacation Pay- Selling	[illegible]
Soliciting and Entertaining	[illegible]
Traveling Allowances	[illegible]
Auto Expenses	[illegible]
Advertising	[illegible]
Total Sales & Promotion	[illegible]

FINANCING COSTS -

Interest Paid	$ [illegible]
Bank Charges and Commissions	[illegible]
Total Financing Costs	[illegible]
Carried forward	[illegible]

Petitioner's (CONEX) Exhibit "P-15".

Brought forward		$ 777,001.2
ADMINISTRATIVE OVERHEAD:		
Office Salaries	$ 178,303.96	
Employees Bonification	14,724.34	
Payroll Taxes -Office	14,232.07	
Vacation Pay- Office	6,662.69	
Rent Office Equipment	7,391.57	
Office Maintenance	3,637.98	
Office Expenses	1,181.45	
Stationery and Supplies	7,921.43	
Postage	3,643.71	
Cable, Telephone and Telegraph	20,312.67	
Office Repairs	92.20	
Legal Expenses	4,798.70	
Miscellaneous	1,214.62	
Electricity	2,222.30	
Water	190.61	
Dues and Subscriptions	1,581.87	
Auditing Fees	3,000.00	
Donations	490.00	
Depreciation - Furniture and Fixtures	3,199.27	
Warehouse Expenses	2,174.01	
Extra Help	934.70	
Total Administrative Overhead		277,002.27
Gross Cost		$ 1,054,003.24
Less Revenue from Local Transportation		187,201.02
NET COST OF OPERATIONS IN PUERTO RICO		$ 867,802.22

DISTRIBUTION OF REVENUE AMONG DIFFERENT COSTS

Particulars	Gross Cost	Per Cent	Rev. Applied	Net Cost
Direct Cost	$ 702,935.24	66.655%	$ 125,297.90	$ 577,737.
Sales and Promotion	66,204.96	6.277%	11,794.50	54,410.
Financing Costs	7,801.07	.745%	1,399.56	6,401.
Administrative Overhead	277,002.27	26.263%	49,409.76	227,592.
	$ 1,054,003.24	100.000%	$ 187,201.02	$ 867,802.

DISTRIBUTION OF NET COST ACCORDING TO CUBIC FEET SHIPPED

Particulars	NEW YORK	MIAMI	JACKSONVILLE	TOTAL
Cubit Foot Shipped	2,266,610	766,067	297,673	4,330,350
	Per Cubic Foot			
Direct Cost	$0.1426303	$ 326,153.08	$ 109,266.96	$ 142,304.60	$ 577,737.
Sales & Promotion	.013433	30,717.17	10,290.96	13,402.20	54,410.
Financing Cost	.0015832	3,047.60	1,222.03	1,591.38	6,401.
Adm. Overhead	.0563910	128,944.22	43,199.24	55,448.54	227,592.
	$0.2143580	$ 490,862.07	$ 163,981.23	$ 212,958.72	$ 867,802.

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Petitioner's (CONEX) Exhibit "P-15".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
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COMPARATIVE STATEMENT OF INCOMES AND EARNINGS
For Year Ended On
---oOo---

"EXHIBIT C"

	NEW YORK 3/31/73	NEW YORK 3/31/69	Increase or (Decrease)	MIAMI 3/31/73	MIAMI 3/31/69	Increase or (Decrease)	JACKSONVILLE 3/31/73	JACKSONVILLE 3/31/69	Increase (Decrease)	CONSOLIDATED 3/31/73	CONSOLIDATED 3/31/69	Increase or (Decrease)
REVENUE FROM SALES:				$	$	$	$	$	$			
South Bound	$1,800,001.91	$1,524,932.51	$275,069.40							$1,800,001.91	$1,524,932.51	$275,069.40
North Bound	543,352.01	464,873.54	78,478.47							543,352.01	464,873.54	78,478.47
Agency Commissions				61,549.81	76,648.24	(15,098.43)	79,622.54	76,172.76	2,[illegible]	141,172.35	153,462.30	(12,289.95)
Cartage				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	221,123.36	119,613.23	101,510.13
	$2,343,353.92	$1,989,806.05	$353,547.87	$196,403.99	$181,682.80	$ 26,521.16	$ 203,[illegible]22	$141,[illegible]2	$2,[illegible]	$2,729,[illegible]3	$2,262,870.38	$466,771.55
LESS COSTS OF OPERATIONS:												
Direct Cost	$2,055,637.13	$1,[illegible]6.19	$196,453.94	$139,268.96	$103,447.49	$ 5,821.47	$ 142,[illegible]	$104,151.17	$ [illegible]	$2,307,213.89	$2,066,784.85	$240,426.04
Sales and Promotion	55,949.97	5[illegible].35	71.2	13993.96	11,17[illegible]	(1[illegible].63)	13,432.2[illegible]	11,2[illegible].62	2,146.	79,634.21	78,304.28	1,329.93
Financing Costs	3,689.85	3,327.[illegible]	[illegible]	1,222.03	1,164.99	57.04	1,091.[illegible]	1,172.92	418.	6,003.46	5,360.80	1,142.66
Administrative Overhead	141,[illegible]	[illegible]	[illegible]	4[illegible].2[illegible]	33,[illegible]	9,547.[illegible]	[illegible]	[illegible]	[illegible]	241,[illegible]	164,[illegible]	76,[illegible]
Total Cost of Oper.	12,2[illegible]	$2,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$2,[illegible]	$2,316,787.27	$[illegible]
Net Profit or Loss	$ [illegible]	$ ([illegible]	[illegible]	([illegible]	[illegible]	[illegible]	$ ([illegible]	([illegible]	([illegible]	$ [illegible]	$ (53,939.39)	$122,[illegible]
Add Other Income										[illegible]	11,432.44	(10,[illegible]
Sub-Total										$ 69,[illegible]	$ (42,478.95)	$112,292.13
Deduct Other Expenses										13,[illegible]	[illegible]	([illegible]
Net Profit or (Loss) for Current Year										$ [illegible]	$ (41,037.28)	$153,964.14
Less Provision for Income Tax										12,[illegible]	- 0 -	(12,[illegible]
NET SURPLUS OR (NET OPERATING LOSS)										$ 43,[illegible]	$ (41,037.28)	$ [illegible]

RELATIVE SURVEY PER CUBIC FOOT BASIS:												
Volume in Cubic Feet	2,216,619	2,[illegible]	1[illegible]	706,067	[illegible],223	(4,156)	997,673	1[illegible],762	1[illegible]	4[illegible],359	1,729,447	3[illegible]
Gross Rev./Cubic Foot	$ 1.0247	$ .9[illegible]	$ .0[illegible]	$ .2[illegible]	$ .1[illegible]	$ .0[illegible]	$ .2041	$ .1722	$ .0[illegible]	$ .6669	$ .6[illegible]	$ .0[illegible]
COST OF OPERATING PER CUBIC FOOT:												
Direct Cost	$ .0990	$.[illegible]72	$ .0118	$ .1426	$ .1271	$ .0155	$ .1426	$ .1271	$ .0155	$ .5096	$ .5542	$ .0154
Sales and Promotion	.0244	.0266	(.0022)	.0134	.0137	(.0003)	.0134	.0117	[illegible]	.0196	.0213	(.0014)
Financing Cost	.0016	.0015	.0001	.0016	.0014	.0002	.0016	.0014	.0002	.0016	.0014	.0002
Administrative Overhead	.0[illegible]	.0[illegible]72	[illegible]	.0[illegible]	.041[illegible]	.0[illegible]58	[illegible]	[illegible]	[illegible]	.0[illegible]72	.0446	.0[illegible]54
Total Cost of Operating	$.[illegible]2[illegible]	$.[illegible]32	$.[illegible]3[illegible]	$ .2[illegible]9	$ .2[illegible]1[illegible]	$.[illegible]0[illegible]	$ .2[illegible]9	$ .2[illegible]1[illegible]	$.[illegible]0[illegible]	$ .6[illegible]1	$ .6212	$ .0[illegible]29
NET PROFIT OR LOSS PER CUBIC FT.	$.[illegible]168	$ (.0[illegible]120)	$.[illegible]0[illegible]	$ ([illegible].1[illegible]1)	$ (.0[illegible]12)	$.[illegible]0[illegible]	$ (.[illegible]0[illegible])	$ (.0[illegible]11)	$.[illegible]0[illegible]	$ .0[illegible]73	$ (.0144)	$.[illegible]0[illegible]

REMARKS:

The differences in Cartage and Agency Commissions for the years e[illegible] ended March 31, 1969 and March 31, 1973 is due to the changes in the perce[illegible]ge that were applied to obtain these revenues.

Petitioner's (CONEX) Exhibit "P-15".

SCHEDULE OF

Sheet No. 2.

ACCUMULATED DEPRECIATION
31, 1970

Date of Acquis.	Description	Cost as of 3/31/69	Increase	Cost as of 3/31/70	Depreciation for Prior Years	Adjustment to Depreciation	Rate	Depreciation for 1969-70	Depreciation 3/31/70	Book Value as of 3/31
WAREHOUSE EQUIPMENT:										
4/12/65	200 Warehouse Trucks	$		$ 5,000.00	$ 2,000.00		10%	$	$ 2,500.00	$ 2,5
8/31/65	4 27' Semmobile Boxes			400.00	140.33		"	40.00	180.33	21
12/2/65	4 36 x 36 6 wheels Dolliers			220.00	73.33		"	22.00	95.33	12
"	2 42 x 48 10 wheels Dolliers			150.00	50.00		"	15.00	65.00	8
"	1 Dock Pump 36 x 100 long			290.00	96.67		"	29.00	125.67	16
11/2/65	2 Micas Level Dolliers			52.15	17.80		"	5.21	23.01	2
6/28/67	1 House Platform Scale Model 54 x 6-1,000			160.00	20.87		"	16.00	42.37	11
2/23/68	10 9272 -2 KT			400.00	43.33		"	40.00	83.33	31
3/23/68				429.78	42.93		"	42.98	85.91	34
		$		$ 7,301.93	$ 2,494.31			$ 729.19	$ 3,223.50	
AUTOS & TRUCKS:										
4/2/65	1 Truck 1963 Motor SD-275303F Reg. 310372-6	$ 6,000.00		$ 6,000.00	$ 6,000.00		25%	$ - 0 -	$ 6,000.00	$ - 0 -
"	1 Truck 1963 Motor SD-275816 F Reg. 310445-5	6,000.00		6,000.00	6,000.00		"	- 0 -	6,000.00	- 0 -
"	1 Truck 1963 Motor SD-275794F Reg. 310933-8	6,000.00		6,000.00	6,000.00		"	- 0 -	6,000.00	- 0 -
"	1 Truck 1963 Motor SB-265355F Reg. 322-661-4	6,000.00		6,000.00	6,000.00		"	- 0 -	6,000.00	- 0 -
"	1 Truck 1963 Motor SD-265307F Reg. 322693-0	6,000.00		6,000.00	6,000.00		"	- 0 -	6,000.00	- 0 -
"	1 Truck 1963 Motor SD-225[illegible]F Reg. 310871-6	6,000.00		6,000.00	6,000.00		"	- 0 -	6,000.00	- 0 -
"	1 Truck 1963 Motor SD-2[illegible]617 Reg. 322693-2	6,000.00		6,000.00	6,000.00		"	- 0 -	- 0 -	- 0 -
"	1 Tractor 1962 #101 Motor 365237 Reg. 365819-5	12,000.00		12,000.00	- 0 -	12,000.00	"	- 0 -	- 0 -	- 0 -
"	1 " 1963 #102 Motor 365614 Reg. 2[illegible]4 K-1	7,775.00		7,775.00	- 0 -	7,775.00	"	- 0 -	- 0 -	- 0 -
"	1 " 1963 #104 Motor 365946 Reg. 365831-9	16,350.00		16,[illegible]2.00	- 0 -	16,350.00	"	817.50	- 0 -	- 0 -
6-6-65	1 Torimotor Lift Truck Model 30DF	3,300.00		3,300.00	3,304.16		"	145.84	3,[illegible]	- 0 -
6/22/65	1 Trailer Fivoli Dorsey Van MP-22655	450.00		450.00	421.88		"	28.12	450.00	- 0 -
8/17/65	1 Plataform Clark	3,879.00		3,879.00	2,779.97		20%	778.03	3,[illegible]	
"	1 " "	3,900.00		3,900.00	2,787.83		"	778.00	3,[illegible]	
11/29/65	1 Stake Body Chev. 1 Ton 1962	950.00		950.00	791.67		2 2	15.[illegible]	[illegible]	- 0 -
7/6/66	1 Truck Chev. 1966 3 Tons	6,728.16		6,728.16	6,000.61		"	2,142.04	[illegible]	
3/27/67	1 Truck Int. 1965 Motor V345 29843 Reg. 476044-0	4,016.[illegible]		4,016.[illegible]	2,000.27		"	1,004.13	[illegible]	
"	1 Truck Int. 1965 Motor V345 29845 Reg. 476021-0	4,016.[illegible]		4,016.[illegible]	2,000.27		"	1,004.13	[illegible]	
"	1 Truck Int. 1965 Motor V345 29847 Reg. 476120-2	4,016.[illegible]		4,016.[illegible]	2,000.27		"	1,004.13	[illegible]	
"	1 Truck Int. 1965 Motor V345 29838 Reg. 476116-3	4,016.[illegible]		4,016.[illegible]	2,000.27		"	1,004.13	[illegible]	
"	1 Truck Int. 1965 Motor V3453 29842 Reg. 47611 -9	4,016.[illegible]		4,016.[illegible]	2,000.27		"	1,004.12	[illegible]	
"	1 Truck Int. 1965 Motor V3453 29844 Reg. 476049-5	4,016.[illegible]		4,016.[illegible]	2,000.27		"	1,004.12	[illegible]	
12/31/67	1 Truck Chev. [illegible]6536 T124500 1966	[illegible]		[illegible]	1,000.00	1,093.76	"	[illegible]	1,[illegible]	
24-68	1 " " Model 61[illegible]4 UV-1[illegible]197	[illegible]		7,411.94	2,161.83		"	1,852.98	4,[illegible]	
2/29/68	1 Tomantor Ford Lift Model 60IP	[illegible]		[illegible]	2,166.66		"	2,000.00	4,[illegible]	
5/7/68	1 Oldsmob le 6[illegible] (NY) 5469	4,112.40		4,112.40	742.11		2 4	620.40	1,[illegible]	
7/19/68	Ford Station Wagon	6,429.79		6,429.79	1,[illegible]9.64		"	1,2[illegible].96	2,143.[illegible]	
7/5/68	Pontiac (NY)	[illegible]		[illegible]	643.91		"	911.92	1,[illegible]	
7/1/68	Chev. 1968 CE 6[illegible]1120 -498	9,322.22		9,322.22	1,747.91		2 4	2,330.56	4,07[illegible]	
"	Chev. 1968 CE 6[illegible]13 -4225	9,322.22		9,322.22	1,747.91		"	2,330.56	4,07[illegible]	
"	Chev. 1968 CE 6[illegible]113 -1570	9,322.22		9,322.22	1,747.91		"	2,330. 6	4,07[illegible]	
"	Chev. 1968 CE 6[illegible]13- 4203	9,322.22		9,322.22	1,747.91		"	2,330.56	4,07[illegible]	
"	Chev. 1968 CE 6[illegible]111- 9355	9,322.22		9,322.22	1,747.91		"	2,330.56	4,07[illegible]	
3/27/67	1 Truck Int. 1965 Motor V3453 29845 Reg. 476019-7	[illegible]		[illegible]	2,000.27		"	1,[illegible]	[illegible]	
	- Cont.	$ 29,[illegible]		$ [illegible]7.71	$ 123,900.55	$ 36,12[illegible].00		MAYAGUEZ, P.R. [illegible]3.67	$ 119,[illegible]	

SANTOLO RIVERA PEREZ

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Petitioner's (CONEX) Exhibit "P-15".

Date of Acquis.	Description	Cost as of 1/31/69	Inc	Accumulated Depreciation (Cont.) Cost as of 3/31/70	Depreciation for Prior Year	Adjustment to Depreciation		Reprec. for Rate 1969-70	Accumulated Reprec. 3/31/70	Book
FURNITURE & FIXTURES: Puerto Rico - Cont.		$ 8,208.72	$	$ 8,003.72	$ 2,902.82	$ 54.16	10%	$ 812.52	$ 3,661.18	$
12/12/66	1 Div. Calculator 24-S No. 2782472	725.00		725.00	263.12		"	72.50	23	
2/1/67	1 Check Protector Serial 6064	139.00		139.00			"	13.90	44	
5/8/67	1 Secretarial Chair #9310	35.00		35.00			"			
6/1/67	1 IBM Selective Typewriter Serial 4531856	520.00		520.00			"	52.00	147.33	
"	1 Secretarial Chair #704	35.00		35.00	6.42		"	3.50	9.92	
"	1 Time Recorder Serial #106846 JR #34035	265.00		265.00			"	26.50		
6/23/67	Air Conditioner Serial #560170041	277.00		277.00			"	27.70	78.16	
9/7/67	1 Water Cooler Serial 42691 /SC8-H	287.70		- 0.70		82.77	"	7.40	- 0 -	- 0 -
10/24/67	1 Air Conditioner Serial #7195901	350.00		350.00			"	35.00		
"	1 Air Conditioner Serial #7195869	350.00		350.00			"	35.00		
10/27/67	3 Files Legal Size	225.00		225.00			"	22.50		
11/1/67	1 Apeco Super-Stab Copier Model 180 W/Super Stand	1,363.68		1,563.68			"	156.36		
"	4 Air Conditioner	1,920.00		1,920.00			"	192.00		
2/19/68	1 Electric Typewriter IBM-Model 702	500.00		500.00			"	50.00		
2/5/68	2 Side Chairs (RAC) Ednar Rogar	273.60		273.60			"	27.32		
"	1 Tablillero (RAC) Edna Roger	439.50		439.50			"	43.95		
"	1 File (RAC) Edna Roger	416.80		416.80			"	41.68		
1/30/68	Electric Typewriter Model 700	371.44		371.44			"	37.14		
1/31/68	1 Water Cooler	287.70		287.70			"	28.77		
1/17/68	6 Chair Black $25.00 each	150.00		150.00			"	15.00		
2/24/68	Miscellaneous Stands File Room	366.00		366.00			"	36.60		
1/11/68	2 Blank Secretarial Desks $150.00each	300.00		300.00			"	30.00		
2/26/68	2 Smith Corona Electric Add. Machine	114.90		114.90			"	11.49		
4/19/66	3 Desks	450.00		450.00			"	45.00		
"	1 File (Gray) #29-20	199.00		199.00			"	19.90		
4/30/68	4 File (Black) #2604	260.00		260.00			"	26.00		
6/10/66	1 Pitney Bowes Mailing Machine	247.50		247.50			"	24.75		
"	1 Pitney Bowes Scale Model S-104 Serial 11070	199.00		199.00			"	19.90		
4/1/68	2 Secretarial Desk at $150.00 ea.	300.00		300.00			"	30.00		
"	2 Black Chair #610	110.00		110.00			"	11.00		
12/18/67	1 Executive Desk	115.00		115.00			"	11.50		
"	2 Secretarial Chairs	100.00		100.00			"	10.00		
"	1 Table	22.00		22.00			"	2.20		
"	1 Sofa LS-2	66.00		66.00			"	6.60		
4/13/68	6 Chairs (Black) No. 410	330.00		330.00			"	33.00		
8/14/68	10 Side Chairs (Black)	530.00		530.00			"	53.00		
"	1 Conference Table	250.00		250.00			"	25.00		
9/4/68	IBM Selective Typewriter #5514908	520.00		520.00			"	52.00		
3/17/68	SL-2 Sofa	77.00		77.00			"	7.70		
10/28/69	22 Shelves -File Room			20.00			"	2.00		
4/1/69	1 Miscellaneous Panel			618.00			"	61.80		
5/1/69	1 Calculator Machine Fridden			1,473.00			"	110.61		
7/1/69	1 Photostatic Copies Mach. Olivetti-Underwood			200.00			"	19.90		
7/7/69	1 Water Cooler Gen. Electric			414.24			"	36.42		
8/7/69	1 Calculator Machine Remington 1798139			71.40			"	2.10		
10/8/69	1 Boston Rock	70.00		70.00			"	7.00		
12/16/67	Executive Chairs	18.00		18.00			"	1.80		
12/12/68	14 Panel	1,000.00		1,000.00			"	100.00		
2/20/69	Circuit Tel. Syst. Interc. & Paging Funtions			1,600.00			"	160.00		
		$ 21,644.72	$	$ 20,218.96	$ 4,659.23	$ 136.93		$ 2,552.67	$ 7,115.14	$

- Cont. on next page -

Petitioner's (CONEX) Exhibit "P-15".

DATE of Acquis.	Description	Cost as of 3/31/69	Depreciation for Prior Year	Adjustment To Degree.		Depreciation for 1969	Accum. Depreciation as of 3/31/70	Book Value as of 3/31/70
	FURNITURE & FIXTURES (Cont.)	$ 23,644.44	$ 20,210.98	$ 4,639.20	$ 106.93	10% $ 2,362.07	$ 7,113.14	$ 16,531.30
10/9/69	1 Auxiliary Rack		12.65	- 0 -		" .63	.63	12.02
10/14/69	1 Secretarial Desk 6034-3616		154.00	- 0 -		" 7.70	7.70	146.30
2/10/70	1 Doz. Gl-Time Stamp #33561		24.00	- 0 -		" 4.80	4.80	19.20
3/13/70	1 Doz. Gl-Time Stamp #13279758		24.00	- 0 -		" 2.04	2.04	21.96
		$ 23,644.44	$ 20,425.63	$ 4,639.20	$ 106.93	$ 2,376.24	$ 7,128.31	$ 16,531.30
	FURNITURE & FIXTURES -Eastside Main							
5-31-65	1 Check Protector	$ 33.00	$ 32.35	$ 12.65	15% $ 3.30	$ 48.30	$ 13.95	$ 19.05
7-1-66	1 IBM Standard Electric Typewriter	52.00	52.00	144.30	" 52.00	196.30	196.30	32.70
2-1-67	1 Desk & File Cabinet	65.00	65.00	14.00	" 6.50	20.50	20.50	44.50
"	1 Royal Manual Typewriter (Used)	192.69	102.40	22.20	" 10.20	32.40	32.40	160.29
2-28-67	1 Multisumma 24 Calculator 63471	445.20	445.20	92.37	" 44.62	137.54	137.54	307.66
3-27-67	1 Royal Typewriter (Used)	90.00	50.00	10.00	" 5.00	15.00	15.00	75.00
5-1-67	1 Underwood 702 Electric Typewriter 1127642	472.50	472.50	90.59	" 47.20	137.79	137.79	334.71
"	1 " 702 " " 11256.1	472.50	472.50	90.59	" 47.20	137.79	137.79	334.71
2-26-67	2 Smith Corona Electric Add. Machine	114.00	114.00	12.95	" 11.40	24.42	24.42	89.58
3-7-68	1 Office Carpet	586.00	586.00	59.15	" 58.67	117.82	117.82	468.18
3-7-68	1 Conference Desk 76" x 39"	24.70	24.70	20.62	" 7.40	28.02	28.02	96.68
"	1 Executive Chair	160.60	160.60	17.45	" 16.06	33.51	33.51	127.09
"	1 Double Pedestal Chair	134.30	134.30	16.73	" 13.43	30.16	30.16	104.14
"	1 Executive Posture Chair	127.35	127.35	13.77	" 12.73	26.50	26.47	100.88
2-67	1 Typewriter	203.00	203.00	43.32	" 20.30	63.62	63.62	139.38
4-1-68	1 Large Chair Lucite Floor Mat.	43.95	43.95	4.10	" 4.39	8.49	8.49	35.46
4-1-68	1 Small Clean Lucite Floor Mat.	33.45	33.45	3.05	" 3.34	6.39	6.39	27.06
"	2 Oil Walnit Aon Chair at $75.00 each	157.50	157.50	15.75	" 15.75	31.50	31.50	126.00
"	1 " " 76 Chair Sofa	337.05	337.05	33.71	" 33.70	67.41	67.41	269.64
"	6 " Aon Chair	270.00	270.00	27.09	" 27.00	54.09	54.09	215.91
4/20/68	1 Underwood 702 -Electric Typewriter	436.80	436.80	29.12	" 43.68	72.80	72.80	364.00
4-1-68	1 " 702 Electric Typewriter #1111416	371.44	371.44	37.14	" 37.14	74.28	74.28	297.16
"	1 Div. 24 Col. 960750	433.13	433.13	43.31	" 43.31	86.62	86.62	346.51
"	1 Oil Walnit File & Box Drawer							
"	1 Oil Walnit Credenza							
"	1 Top 76" x 15"	325.50	325.50	32.55	" 32.55	65.10	65.10	260.40
"	1 Cabinet with wood base							
"	1 Oil Walnit sanged with wood base							
		$ 6,115.11	$ 6,115.11	$ 691.23		$ 811.71	$ 1,502.94	$ 4,612.17

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Petitioner's (CONEX) Exhibit "P-15".

Date of Acquis.	Description	Cost as of 3-31-69	Cost of 3-31-70	Depreciation for Prior Year	Adjustments to Depreciation	Rate	Depreciation Accumulated for 1969-70	Depreciation Accumulated Deprec. 3/31/70	Depreciation Reserve 3/31/71
AUTOS & TRUCKS- Cont.		$ 207,292.71	$ 123,900.53	$ 36,125.00	25%	$ 31,313.67	$ 119,038.67	53,038.47	
7-1-68	Chev. 1968 CE 638119989	9,322.22	9,322.22	2,747.91		"	2,330.56	4,078.47	5,243.75
"	Chev. 1968 CE 638111000	9,322.22	9,322.22	2,747.91		"	2,330.56	4,078.47	5,243.75
"	Chev. 1968 CE 638111967	9,322.22	9,324.22	2,749.91		"	2,330.56	4,078.47	5,245.75
4-9-69	1 Truck Int. TD-5-10647AR		2,500.00	- 0 -		"	62.50	62.50	1,937.50
4-30-69	1 Truck Int. 20000-1446 346407		16,375.00	- 0 -		"	3,867.19	3,867.19	12,507.81
"	1 Truck Int. 20000-144 346831		16,375.00	- 0 -		"	4,210.94	4,210.94	12,164.06
"	1 Truck Int. 20000-1446 350209		16,375.00	- 0 -		"	4,096.36	4,096.36	12,278.64
"	1 Truck Int. 20000-1446 350207		17,375.00	- 0 -		"	4,096.36	4,096.36	13,278.64
		$ 236,259.37	$ 224,567.97	$ 132,145.83	$ 36,125.00		$ 50,231.21	$ 184,271.45	$ 139,296.52
FURNITURE AND FIXTURES - Puerto Rico:									
4-12-65	10 Used Desks @ $50.00 each.	$ 500.00	$ 500.00	$ 200.00		10%	$ 50.00	$ 250.00	$ 250.00
"	2 Electric Typewriter Machine	600.00	600.00	240.00		"	60.00	300.00	300.00
"	2 Adding Machine $125.00 each.	250.00	125.00	100.00	54.16	"	16.66	62.50	62.50
"	1 Calculator Machine	350.00	350.00	140.00		"	35.00	179.00	171.00
"	9 Office Files $25.00 each	225.00	225.00	90.00		"	22.50	112.50	112.50
"	2 Air Conditioner Units $150.00 each	300.00	300.00	120.00		"	30.00	150.00	150.00
"	1 Safe Box	100.00	100.00	40.00		"	10.00	50.00	50.00
"	2 Dictaphone Machine $200.00 each	600.00	600.00	240.00		"	60.00	300.00	300.00
"	1 Pitney Bowens Mailing Machine	250.00	250.00	100.00		"	25.00	125.00	125.00
4-30-65	1 COpy Machine Thermofax	399.00	399.00	159.20		"	39.90	199.10	199.90
"	1 Typewriter Machine-Underwood Electric	124.00	124.00	49.60		"	12.4	61.96	62.04
5/31/65	Tramp Adopter Index & Guides	164.14	164.14	62.90		"	16.41	79.31	84.83
6/29/65	Air Conditioning Unit	377.00	377.00	141.49		"	37.73	179.22	197.78
7/9/65	1 Water Cooler	216.75	216.75	81.26		"	21.67	102.93	113.82
7/19/65	1 Mete Stand	35.76	35.76	13.11		"	3.58	16.69	19.07
7/8/65	2 Wesfiler with venge guides	69.14	69.14	25.91		"	6.91	32.82	36.32
"	1 Postatray -Executive Model	98.26	98.26	36.86		"	9.83	46.69	51.57
11/1/65	1 Electrosumma 20 electric Add. Mach. #654-7750	229.00	229.00	76.33		"	22.90	99.23	129.77
"	1 " 20 " " " #6540263	229.00	229.00	76.33		"	22.90	99.23	129.77
"	1 Electric Typewriter Scriptor TW 9579429	420.00	420.00	140.00		"	42.00	182.00	238.00
2/10/66	1 Air Conditioning Unit	425.00	425.00	134.56		"	42.50	177.06	247.94
3/11/66	6 Miscellaneous Panels (0514-0402)	246.50	246.50	76.62		"	24.65	101.27	145.23
"	1 Steel Master File #2920L	190.00	190.00	59.58		"	19.00	77.58	112.42
4/1/66	1 Miscellaneous Panel 514	54.50	54.50	16.69		"	5.45	22.24	32.26
"	2 " " 402	92.00	92.00	27.60		"	9.20	36.80	55.20
"	1 FSC FS Panel Cover	28.00	28.00	8.40		"	2.80	11.20	16.80
6-7-66	1 Simple Pedestal Desk VD110-92	460.00	460.00	138.36		"	46.01	176.37	283.63
"	1 Credenza VC -72-1133	434.72	434.72	130.33		"	43.47	166.80	267.92
"	1 x 5 Executive Posture Chair	214.50	214.50	60.77		"	21.45	82.22	132.28
"	1 Modular Top 18 x 72	54.20	54.20	15.64		"	5.42	21.16	33.04
6/2/66	1 Secretarial Desk Back Panel	149.00	149.00	42.22		"	14.90	57.12	91.88
7/1/66	1Miscellaneous Panel #194313	46.00	46.00	12.57		"	4.60	17.17	28.83
9/11/66	1 Miscellaneous Panel #545	15.00	15.00	3.87		"	1.50	5.37	9.63
11/30/66	1 Postures Chair #1837	46.45	46.45	10.03		"	4.64	15.47	30.98
"	1 Card Puncher Desk #606	82.95	82.95	19.34		"	8.29	27.63	55.32
"	1 Control Panel Cabinet #1012	64.46	64.46	15.23		"	6.44	21.67	42.79
"	1 Auxiliar Back	12.21	12.21	2.84		"	1.22	4.06	8.15
	-Cont. on next page -	$ 6,208.72	$ 6,208.72	$ 2,902.82	$ 54.16		$ 512.32	$ 3,661.18	$ 2,547.54

PUBLIC ACCOUNTANT

MAYAGUEZ, P. R.

ONLY COPY AVAILABLE

Petitioner's (CONEX) Exhibit "P-16".

CONSOLIDATED EXPRESS, INC.

San Juan, P. R.

REPORT FOR THE YEAR ENDED ON

March 31, 1971

BARTOLO RIVERA PEREZ
Certified Public Accountant
70 West Mendez Vigo St.—3rd Floor
Mayaguez, P. R. 00708

Member of:
National Society
of
Public Accountant
Puerto Rico Institute
of Certified Public Accountants

P. O. Box 603

Tels. { 832-0135
832-6028

July 23, 1971.

To the Board of Directors of
Consolidated Express, Inc.
Box 2080
San Juan, Puerto Rico

Dear Sirs:—

In accordance with our agreement, I have made an examination and audit of the books of accounts and other

Petitioner's (CONEX) Exhibit "P-16".

financial records of your business, for the year ended on March 31. 1971 and as a result of such examination, I am very pleased to submit the attached report, which in my opinion covers all particulars and matters checked and reviewed.

I hope that the foregoing report, together with the appended exhibits and schedules, will furnish the information that you may need for future administration, but if further information and particulars are desired, I shall be glad to supply them so far as I may be able.

Cordially yours,

/s/ Bartolo Rivera Pérez—CPA

BRP/crc

* * *

Petitioner's (CONEX) Exhibit "P-16".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

INDEX

Contents	*Page No.*
Auditors Letter	1
Index	2
History and Organization	3
Scope of Examination	3
Description of Major Audit Procedures	3–4
Opinion	4
Balance Sheet ..... "Exhibit A"	5
Statement of Incomes and Retained Earnings "Exhibit B"	6–7
Statement of Sources and Application of Funds	8
Notes to Financial Statement:—	
Note 1—Cash on hand and in Banks	9
Note 2—Accounts Receivable—Trade	9
Note 3—Prepaid Expenses	9
Note 4—Property and Equipment	10
Note 5—Notes Payables	10
Note 6—Sundry Expenses Payables	10–11
Note 7—Dividends Payable	11
Accumulated Loss from Operations and Capital Loss Carry Forward	11

Petitioner's (CONEX) Exhibit "P-16".

History and Organization

This corporation was organized under the laws of the Commonwealth of Puerto Rico and registered in the Secretary of State on April 1, 1965, under Registration Number 14,356.

Its main purpose is to engage in the transportation and forwarding of merchandise to and from Continental United States to the Island of Puerto Rico.

Its operations were started with an authorized capital stock of 3,000 common shares of $100.00 each or $300,000.00 of which the outstanding capital stock issued and paid-in as follows:—

Name	*Address*	*Shares*	*Par Value*
Rodolfo Catinchi	Box 2080—San Juan, P.R.	988	$ 98,800.00
Roy M. Jacobs	760 12th Ave., New York	988	98,800.00
Ginette Catinchi	Box 2080—San Juan, P.R.	37	3,700.00
Harriet A. Jacobs	760 12th Ave. New York	37	3,700.00
		2,050	$205,000.00

The officers and directors of this corporation, as of the date of this report are the following:—

Name	*Position*	*Term Expires*
Rodolfo Catinchi	President	April 30, 1972
Roy Jacobs	Vice-President	April 30, 1972
Roy Jacobs	Treasurer	April 30, 1972
Ginette Catinchi	Secretary	April 30, 1972

Its main and official office is located at Urbanización Villa Caparra at No. 18 C Street, Guaynabo, but the ware-

Petitioner's (CONEX) Exhibit "P-16".

house, accounting and executive offices are located at Ceramic Industrial Garden of Carolina, P. R.

Scope of My Examination

My examintion was directed primarily to a verification of the Financial Statement of the corporation, as of March 31, 1971, and to a general review of the results from operation for the year then ended.

Description of Major Audit Procedures

My examination extended to a detailed check of all cash and other bookkeeping entries throughout the year, and numerous vouchers and entries were scrutinized in connection therewith.

A personal count of all cash on hand, and a reconciliation of all bank accounts with their monthly statement was made, and found to be correct and according to the records and books of accounts of the corporation.

A request for verification were sent to customers and others in connection with accounts pending collection at the end of the year. Replies thus far received have been satisfactory, with the exception of minor remarks which are in the process of settlement.

A personal and physical check of all property owned by the corporation at the end of the year and a check of all costs figured in the books of the company was made all found to be correct and according with the evidence scrutinized.

I was informed by officers and head employees of this corporation that all liabilities as of March 31, 1971 were included and accounted therefore, and they assured me that so far as it aware and to their best knowledge and understanding, this corporation had complied with all laws

Petitioner's (CONEX) Exhibit "P-16".

and regulations related with, and specially with that of wages and hours, and that there is no claims nor litigation pending in this connection.

The insurance coverage was checked and found that it covers reasonably the totals of assets and risks related therefore.

To the extent that such vouchers and entries were examined, and based on information obtained from officers and head employees of this corporation, the accounts were found to be correct and in order.

Opinion:—

I have examined the Balance Sheet of CONSOLIDATED EXPRESS, INC. as of March 31, 1971, and the related statement of Incomes and Earnings retained in the business for year then ended. My examintion was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records, and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial and incomes and earnings statements, present fairly the financiaal position of CONSOLIDATED EXPRESS, INC. at March 31, 1971 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles consistently applied.

Given at Mayaguez, Puerto Rico, this 14 day of July 1971.

/s/ BARTOLO RIVERA PÉREZ
Bartolo Rivera Pérez—CPA
Lic. #244—Expires 12/1/71

(SEAL)

Petitioner's (CONEX) Exhibit "P-16".

"EXHIBIT A"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

BALANCE SHEET
March 31, 1971 and 1970

ASSETS

	1971	*1970*
CURRENT ASSETS:—		
Cash on hand and in Banks—(Note 1)	$ 86,006.15	$ 72,565.57
Accounts Receivable:—		
Trade—(note 2)	310,384.34	281,237.10
Stockholders and Employees	13,662.02	5,438.05
	$ 324,046.36	$ 286,675.15
Income Tax Paid in Excess	$ 15,130.01	—0—
Loan to Other Companies	—0—	7,700.00
Prepaid Expenses—(note 3)	34,942.77	17,830.84
Total Current Assets	$ 460,125.29	$ 384,771.56
FIXED ASSETS:—		
Property and Equipment at Cost—(note 4)	$ 422,032.10	$ 317,324.35
Less Accumulated Depreciation—(Note 4)	206,041.01	161,371.39
Total Fixed Assets	$ 215,991.09	$ 155,952.96
OTHER ASSETS:—		
Leasehold and Office Improvements	$ 46,636.77	$ 35,162.77
Less Accumulated Amortization	22,514.53	16,291.97
	$ 24,122.24	$ 18,870.80
Cost of Key Employees Insurance	80,567.02	56,928.33
Deposits and Bonds	3,971.04	1,700.00
Advances on New Building	6,066.97	6,766.97
Organization Expenses	283.00	283.00
Deposit for Purchase of Equipment	714.00	—0—
Total Other Assets	$ 115,724.27	$ 84,549.10
TOTAL ASSETS	$ 791,840.65	$ 625,273.62

The accompanying notes are an integral part of the Financial Statement.

Petitioner's (CONEX) Exhibit "P-16".

"EXHIBIT A"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

BALANCE SHEET
March 31, 1971 and 1970

LIABILITIES AND STOCKHOLDERS' EQUITY

	1971	*1970*
CURRENT LIABILITIES		
Account Payable:—		
Trade	$ 307,019.04	$ 243,081.83
Others	—0—	181.65
	$ 307,019.04	$ 243,263.48
Notes Payable—Due within 1 year—(Note)	$ 239,776.96	$ 80,175.12
Accrued Expenses Payable:—		
Sundry Expenses—(Note 6)	$ 14,064.58	$ 9,798.33
Vacation Pay	8,080.79	11,898.06
Sick Leave	21,205.58	12,024.60
Employees Bonus	5,187.41	3,864.34
	$ 48,538.36	$ 37,585.33
Withholdings and Payroll Taxes Payable:—		
Income Tax Withheld	$ 2,472.39	$ 3,425.50
Social Security	1,335.07	4,440.40
Drivers Social Security	276.80	274.40
Unemployment Comp. Insurance Tax—State	3,771.83	3,487.23
Unemployment Comp. Insurance Tax—Federal	360.35	514.72
Labor Insurance	—0—	8,950.70
Disability Insurance	1,008.92	976.07
	$ 9,225.36	$ 22,069.02
Income Tax Liability	$ —0—	$ 1,703.57
Dividends Payable—(Note 7)	169.13	—0—
Total Current Liabilities	$ 604,728.85	$ 384,796.52

Petitioner's (CONEX) Exhibit "P-16".

LONG TERM LIABILITIES:—		
Notes Payable—Due after 1 year—(note) ..	$ 90,208.46	$ 34,067.70
Total Long Term Liabilities	$ 90,208.46	$ 34,067.70
OTHER LIABILITIES:—		
Provision for Uncollected Checks	$ —0—	$ 1,240.27
Total Other Liabilities	$ —0—	$ 1,240.27
Total Liabilities	$ 694,937.31	$ 420,104.49
STOCKHOLDERS' EQUITY:—		
Common Stock—Authorized 3,000 common shares of $100.00 par value each—Issued and Outstanding	$ 204,000.00	$ 186,800.00
Retained Earning or (Deficit)	(108,096.66)	18,369.13
Stockholders' Equity or Net Worth	$ 96,903.34	$ 205,169.13
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 791,840.65	$ 625,273.62

The accompanying notes are an integral part of the Financial Statement.

"EXHIBIT B"

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.

STATEMENT OF INCOMES AND RETAINED EARNINGS
For the Year Ended On March 31,

	New York	*Miami*	*Jacksonville*	*1971*	*1970*
FROM SALES:—					
Bound	$1,797,139.27	$	$	$1,797,139.27	$1,800,001.91
Bound	486,976.82			486,976.82	543,352.01
Commissions		80,110.14	84,659.34	164,769.48	141,172.35
e		105,262.30	114,971.45	220,233.75	221,123.86
s Revenue from Sales	$2,284,116.09	$ 185,372.44	$ 199,630.79	$2,669,119.32	$2,705,650.13
T OF OPERATIONS:—					
Cost:—					
lication of Cost in P.R.	$ 403,899.31	$ 136,065.97	$ 149,676.10	$ 689,641.38	$ 577,727.34
ine Insurance	23,215.17			23,215.17	14,634.01
ine Freight—South Bound	713,704.94			713,704.94	735,035.08
ine Freight—North Bound	204,655.04			204,655.04	232,784.03
ine Freight—Virgin Island	4,286.75			4,286.75	2,560.10
nd Freight	129,038.77			129,038.77	138,209.65
tage	147,785.20			147,785.20	119,984.58
go Claims	13,636.80			13,636.80	6,418.60
mission to Agents	202,400.00			202,400.00	203,750.00
oline and Oil				—0—	33.97
ndling—South Bound	190,423.08			190,423.08	187,951.24
ndling—North Bound	53,528.64			53,528.64	59,770.11
t Transportation Equipment	29,394.39			29,394.39	28,352.18
otal Direct Cost	$2,115,968.09	$ 136,065.97	$ 149,676.10	$2,401,710.16	$2,307,210.89

Petitioner's (CONEX) Exhibit "P-16".

Petitioner's (CONEX) Exhibit "P-16".

	New York	*Miami*	*Jacksonville*	*1971*	*1970*
Sales & Promotion:—					
Application of Cost in P.R. ..	$ 38,290.37	$ 12,899.30	$ 14,189.56	$ 65,379.23	$ 54,410.41
Soliciting & Entertaining ...	15,221.76			15,221.76	14,890.81
Traveling Allowances	3,442.43			3,442.43	5,339.24
Advertising	200.00			200.00	—0—
Auto Expenses	6,336.70			6,336.70	4,993.75
Total Sales and Promotion	$ 63,491.26	$ 12,899.30	$ 14,189.56	$ 90,580.12	$ 79,634.21
Financing Costs:—					
Application of Cost in P.R. ..	$ 8,827.85	$ 2,973.93	$ 3,271.41	$ 15,073.19	$ 6,461.21
Bank Charges	376.30			376.30	42.25
Total Financing Costs	$ 9,204.15	$ 2,973.93	$ 3,271.41	$ 15,449.49	$ 6,503.46
Administrative Overhead:—					
Application of Cost in P.R. ..	$ 152,115.69	$ 51,244.88	$ 56,370.72	$ 59,731.29	$ 228,403.49
Office Expenses	8,637.10			8,637.10	8,168.49
Stationery & Supplies	79.15			79.15	1,011.11
Telephone and Telegraph	10,287.12			10,287.12	1,668.67
Legal Expenses	5,128.00			5,128.00	2,959.51
Miscellaneous	15.36			15.36	150.00
Depreciation	611.87			611.87	—0—
Dues and Subscriptions	586.68			586.68	158.60
Contributions and Gifts	410.00			410.00	795.00
Total Administrative Overhead	$ 170,870.97	$ 51,244.88	$ 56,370.72	$ 285,486.57	$ 243,314.87
Total Cost of Operations	$2,366,534.47	$ 203,184.08	$ 223,507.79	$2,793,226.34	$2,636,663.43
Net Loss	$ (82,418.38)	$ (17,411.64)	$ (28,877.00)	$ (124,107.02)	$ 68,986.70

STATEMENT OF INCOMES AND RETAINED EARNINGS—CONT.

			1971	*1970*
Net Loss From Operations—Brought forward			$ (124,107.02)	$ 68,986.70
ADD—OTHER DEDUCTIONS:—				
Adjustment to Prior Year	$ 420.17			
Total Other Deductions		$ 420.17		
DEDUCT—OTHER INCOMES:—				
Miscellaneous	$ 60.25			
Uncollected Checks	1,240.27			
Total Other Incomes		1,300.52	880.35	13,059.84
Total Loss for Current Year			$ 123,226.67	$ 55,926.86
Less Adjustment to Income Tax Paid When Net Loss was carried back			15,130.01	15,130.01
Accumulated Loss from Operations			$ 108,096.66	$ 40,796.85
Retained Earnings—Beginning of the year			—0—	(22,427.72)
DEFICIT AT THE END OF CURRENT YEAR			$ (108,096.66)	$ 18,369.13

The accompanying notes are an integral part of the financial statement.

* * * *

Petitioner's (CONEX) Exhibit "P-16".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooOoo---

NOTES TO FINANCIAL STATEMENTS

BALANCE SHEET

NOTE 1

CASH ON HAND & IN BANKS

	1971	1970
CASH ON HAND: -		
Funds in Transit (Payroll)	$ 10,966.22	$ - 0 -
General Funds Pending Deposits	1,077.71	807.55
Petty Cash	1,250.00	1,250.00
Total Cash on Hand.	$ 13,293.93	$ 2,057.55
CASH IN BANKS - CHECKING ACCOUNTS:-		
Chase Manhattan -N.Y.	$ 6,366.39	$ 5,316.77
Banco Popular de P.R.	2,159.56	22,617.40
Banco Crédito & Ahorro Ponceño	55,609.07	31,479.68
Franklin National Bank	8,577.20	11,094.17
Total Cash in Banks	$ 72,712.22	$ 70,508.02
Total Cash in Hand and in Banks.	$ 86,006.15	$ 72,565.57

NOTE 2

ACCOUNTS RECEIVABLE - TRADE

	1971		1970	
	Amount	Per Cent	Amount	Per Cent
1 to 30 Days	$ 209,472.95	67.49%	$ 181,246.04	64.44%
31 to 60 Days	49,481.66	15.94%	55,928.33	19.90%
61 to 90 Days	14,822.73	4.78%	16,305.67	5.80%
91 days or over.	36,607.00	11.79%	27,757.06	9.86%
	$ 310,384.34	100.00%	$ 281,237.10	100.00%

NOTE 3

PREPAID EXPENSES

	1971	1970
Insurance Premiums	$ 5,521.28	$ 8,065.92
Motor Vehicles Plates.	1,911.56	850.50
Maintenance Contract	423.23	483.29
Rent	- 0 -	1,900.00
Interest.	25,181.12	6,531.13
Labor Insurance.	1,905.58	- 0 -
Total	$ 34,942.77	$ 17,830.84

Petitioner's (CONEX) Exhibit "P-16".

NOTES TO FINANCIAL STATEMENTS - CON

BALANCE SHEET

NOTE 4

PROPERTY & EQUIPMENT

	1971	1970
COST:-		
Autos and Trucks	$ 377,194.37	$ 273,594.37
Furniture and Fixtures - Puerto Rico	27,984.28	26,876.53
Furniture and Fixtures - Outside Puerto Rico	6,119.11	6,119.11
Tools & Equipment	3,647.41	3,647.41
Warehouse Equipment	7,086.93	7,086.93
Total Property and Equipment	$ 422,032.10	$ 317,324.35
LESS ACCUMULATED DEPRECIATION:-		
Autos & Trucks	$ 188,456.98	$ 148,220.48
Furniture and Fixtures - Puerto Rico	9,877.50	7,129.67
Furniture and Fixtures -Outside Puerto Rico	2,116.94	1,505.07
Tools and Equipment	1,677.90	1,313.17
Warehouse Equipment	3,911.69	3,203.00
Total Accumulated Depreciation	$ 206,041.01	$ 161,371.39
Book Value	$ 215,991.09	$ 155,952.96

NOTE 5

NOTES PAYABLE

	Due Within one year	Due After one year	Total
Banco Crédito & Ahorro Ponceño	$ 19,369.20	$ 8,070.50	$ 27,439.70
Franklin National Bank -Installment	6,628.00	- 0 -	6,628.00
Franklin National Bank -Demand	40,000.00	- 0 -	40,000.00
Hasman & Baxt	54,000.00	- 0 -	54,000.00
Bankers Trust	20,000.00	- 0 -	20,000.00
U.S. Industries of P.R. -On Equipment	45,779.76	52,137.96	97,917.72
Banco Crédito & Ahorro Ponceño	54,000.00	30,000.00	84,000.00
Totals	$ 239,776.96	$ 90,208.46	$ 329,985.42

NOTE 6

SUNDRY EXPENSES PAYABLE

Particulars	Account No.	Amount
Marine Freight -North Bound -N.Y.	505-2	$ 5,320.56
Marine Freight -South Bound -N.Y.	504-2	2,296.56
Ambrosiani Hnos.	521-1	1,063.00
Berwind Lines	506-2	310.01
Ferreteria Merino	578-1	24.51
The Fairbank Corp.	578-1	33.05
García Machinery.	578-1	20.27
González Padín	537-1	56.00
I.B.M.	537-1	1,197.00
General Credit	514-1	45.00
General Gases	514-1	12.80
		$ 10,379.75

Petitioner's (CONEX) Exhibit "P-16".

NOTES TO FINANCIAL STATEMENT (Cont.)

NOTE 6

SUNDRY EXPENSES PAYABLE

(Cont.)

Particulars	Account No.	Amount
Brought forward		$ 10,379.75
Hercules Tropical Battery	514-1	83.25
Mascaró Parts	514-1	330.00
Amidco Industrial	514-1	17.26
Riosana Parts	515-1	296.25
Juan Domingo Service	502-1	42.38
Rodríguez Chevron Station	502-1	705.02
Del Valle Service	502-1	46.27
Harry Shell	502-1	46.40
The Bankers Club	543-1	170.53
Caparra Country Club	543-1	314.70
Stateside Service	534-1	64.10
Pioneer Supply Co.	538-1	1,140.78
I.B.M.	538-1	392.30
Waste Control	535-1	35.50
Total		$ 14,064.58

NOTE 7

DIVIDENDS PAYABLE

Shareholders	Shares Held	Percentage of Ownership	Paid in stocks	Payable in Cash	Total Dividends
Rodolfo Catinchi	900	.4817%	$ 8,800.00	$ 48.41	$ 8,848.41
Roy M. Jacobs	900	.4817%	8,800.00	48.41	8,848.41
Ginette Catinchi	34	.0183%	300.00	36.16	336.16
Harriet A. Jacobs	34	.0183%	300.00	36.15	336.15
Shares Before Divid.	1,868	100.00%	$ 18,200.00	$ 169.13	$ 18,369.13
Issued during Curr.Year	182		182 shares		
Total Issued & Outs.	2,050				

STATEMENT OF INCOMES & RETAINED EARNINGS

No. 1

ACCUMULATED LOSS FROM OPERATIONS AND CAPITAL LOSS CARRY FORWARD

Total Loss for Current Year	$ 123,226.67
Less Non Deductible Expenses	560.00
Net Taxable Loss from Operations	$ 122,666.67
Less Taxable Income of Previous Year	65,926.86
Loss to Carry Forward from Operations	$ 56,739.81
Add- Capital Loss Carried forward	10,000.00
Total Loss to Carry Forward	$ 66,739.81

Petitioner's (CONEX) Exhibit "P-16".

CONSOLIDATED EXPRESS, INC.
San Juan, P. R.
---ooOoo---

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

	1971	1970
SOURCE OF FUNDS:-		
Net Income for the year	$ - 0-	$ 55,926.8
Income Tax Paid in Excess	15,130.01	- 0 -
Property Written off from books of Accounts.	43,400.00	36,537.7
Provision for Depreciation and Amortization requiring no cash outlay	94,292.18	63,382.0
Loss on Investments	- 0 -	10,000.0
Increase in Other Liabilities	- 0 -	57.4
Increase in Long Term Liabilities.	56,140.76	33,145.7
Total Funds Provided.	$ 208,962.95	$ 199,049.8
APPLICATION OF FUNDS:-		
Net Loss for Current Year	$ 123,226.67	$ - 0 -
To Pay Income Tax	- 0 -	15,130.0
Addition to Property (Auto & Trucks, Furn. & Fixtures and Leasehold Improvements)	159,581.75	77,466.0
Depreciation eliminated from books of accounts on Auto and Trucks trade in	43,400.00	36,231.9
Increase in Other Assets	25,923.73	9,508.4
Decrease in Other Liabilities.	1,240.27	- 0 -
To Pay Cash Dividends	169.13	- 0 -
Total Funds Applied	$ 353,541.55	$ 138,336.4
Increase (Decrease) in Working Capital.	$(144,578.60)	$ 60,713.4
Working Capital, Beginning of year.	(24.96)	(60,738.3
WORKING CAPITAL, END OF YEAR	$(144,603.56)	$ (24.9

Petitioner's (CONEX) Exhibit "P-18A".

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

73 CIV. 3181

Notice of Petition to Confirm Arbitration Award
Civil Action No.

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION AFL-CIO, and NEW YORK SHIPPING ASSOCIATION, INC.,

Petitioners,

and

SEA-LAND SERVICE, INC.,

Respondent.

To: Sea-Land Service, Inc.
One World Trade Center
Suite 2711
New York, New York 10048

PLEASE TAKE NOTICE that the International Longshoremen's Association, AFL-CIO and New York Shipping Association, Inc. Petitioners in the above entitled matter, will apply to the United States District Court for the Southern District of New York at the Courthouse, Foley Square, Borough of Manhattan, City and State of New York, Special Term 119 on the 31 day of July 1973, at 10:30 o'clock in the forenoon or as soon thereafter as Counsel

Petitioner's (CONEX) Exhibit "P-18A".

can be heard for the order described in the petition a copy of which is annexed hereto.

LORENZ, FINN, GIARDINO & LAMBOS
21 West Street
New York, New York 10006
(212) 943-2470
Attorneys for Petitioner
New York Shipping Association, Inc.

GLEASON & MILLER
1450 Broadway
New York, New York 10018
(212) 868-5615
Attorneys for Petitioner
International Longshoremen's
Association, AFL-CIO

So ordered
Charles E. Stewart, Jr.
USDJ
7/19/73

Dated: New York, N.Y., July 18, 1973.

Petitioner's (CONEX) Exhibit "P-18A".

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF NEW YORK

PETITION TO CONFIRM ARBITRATION AWARD

Civil Action No.

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION AFL-CIO, and NEW YORK SHIPPING ASSOCIATION, INC.,

Petitioners,

and

SEA-LAND SERVICE, INC.,

Respondent.

TO THE HONORABLE JUDGES OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK:

PETITIONERS BY THEIR ATTORNEYS RESPECTFULLY SHOW TO THIS COURT:

1. Jurisdiction is conferred herein by the provisions of Section 301(a) of the Labor Management Relations Act, 29 U.S.C.A. § 185(a) and the United States Arbitration Act, 9 U.S.C.A. § 9.

2. Petitioner, INTERNATIONAL LONGSHOREMEN'S ASSOCIATION, AFL-CIO (ILA) is an unincorporated association and a labor organization within the purview of the Labor Management Relations Act, 29 U.S.C.A. § 151, et seq. with its principal office located at 17 Battery Place in the City, County and State of New York, representing employees in an industry affecting commerce as defined in said Act. The ILA is the duly certified collective bargaining repre-

Petitioner's (CONEX) Exhibit "P-18A".

sentative for all crafts of longshore labor in the Port of Greater New York and vicinity, including longshoremen, checkers, clerks, carpenters, cargo repairmen and maintenance men and is responsible for the negotiation and administration of the collective bargaining agreements entered into with New York Shipping Association, Inc. ("NYSA") and all Trust Agreements arising therefrom providing for the collectively bargained employee fringe benefits.

3. Petitioner, NEW YORK SHIPPING ASSOCIATION, INC. (NYSA) is a not-for-profit corporation organized and existing under the laws of the State of New York and is a multi-employer bargaining association whose purpose and function is to negotiate and administer collective bargaining agreements entered into with ILA covering the terms and conditions of employment for all crafts of longshore labor in the Port of Greater New York and vicinity, including longshoremen, checkers, clerks, carpenters, cargo repairmen and maintenance men (and all Trust Agreements arising therefrom providing for the collectively bargained employee fringe benefits). NYSA acts on behalf of its member companies, consisting of stevedoring companies, terminal operators, steamship companies, agents and other employers of waterfront labor employing labor in the loading and unloading of vessels in the Port of Greater New York and vicinity. Its principal office is located at 80 Broad Street, in the City, State and County of New York.

4. Respondent, SEA-LAND SERVICE, INC. with its principal office located at Fleet and Corbin Streets, County of Union, City of Elizabeth and State of New Jersey, is a steamship company and a member of NYSA and is bound by all of the terms and provisions of the aforesaid collective bargaining agreement.

5. The Council of North Atlantic Steamship Associations (CONASA) is an unincorporated multi-employer

Petitioner's (CONEX) Exhibit "P-18A".

bargaining association maintaining its office and place of business at 80 Broad Street, in the City, County and State of New York. Its members are the various employer shipping associations in the six major North Atlantic ports, including NYSA.

6. CONASA is the bargaining representative for its various member associations, including NYSA and its members, with ILA on seven master contract items, to wit: wages, contributions to welfare and pension plans, hours, term of agreement, containerization, including Rules on Containers and a LASH (lighter aboard ship) agreement.

7. On or about the 15th day of February, 1972, Petitioner NYSA, and CONASA on behalf of their members, entered into a collective bargaining agreement with Petitioner ILA retroactively effective to November 14, 1971, which agreement is annexed hereto as Exhibits "A", "B", "C", and "D".

8. Under the terms of the agreement with NYSA, it was agreed to resolve any grievance, dispute, complaint, or claim arising out of or relating to the agreement in accordance with *"Part XI—Grievance Machinery"* (Exhibit "A", pages 53-57, as amended by Exhibit "B", page 2, Section D) which designates the Labor Relations Committee as the third step in the grievance procedure with authority to make final and binding determinations on all grievances arising under the collective bargaining agreement. Said Labor Relations Committee consists of an equal number of ILA and NYSA representatives.

9. Petitioner ILA, duly submitted its grievances under the collective bargaining agreement against respondent SEA-LAND SERVICE, INC. to the NYSA-ILA Contract Board sitting as the Labor Relations Committee which grievances were the result of violations of the collective bargaining agreement by respondent SEA-LAND SERVICE, INC.

Petitioner's (CONEX) Exhibit "P-18A".

10. Pursuant to notice duly given to all parties, a hearing was held on the 12th day of June, 1973 at which hearing SEA-LAND SERVICE, INC. appeared and participated in the proceedings at which the Labor Relations Committee heard the proofs of the parties.

11. On or about the 18th day of June, 1973, after the Labor Relations Committee had duly considered the evidence and arguments submitted to it, said Labor Relations Committee pursuant to the collective bargaining agreement, issued its Award in writing, duly signed and acknowledged (a copy of which Award is hereby annexed as Exhibit "E") wherein it adopted the following resolutions:

RESOLVED: That Sea-Land Service, Inc. has continuously violated the CONASA-ILA Rules on Containers; and it was further

RESOLVED: That Sea-Land Service, Inc. is hereby directed to immediately cease and desist from any further violations of said CONASA-ILA Rules on Containers; and it is further

RESOLVED: That Sea-Land Service, Inc. has violated the Collective Bargaining Agreement between New York Shipping Association, Inc. and the International Longshoremen's Association, AFL-CIO in failing to file reports on tonnage required by said Collective Bargaining Agreement; and it is further

RESOLVED: That in the event that Sea-Land Service, Inc. does not comply with the directives contained in the above Resolutions that immediate action be taken to enforce the above directive against said Sea-Land Service, Inc. in a court of competent jurisdiction; and it is further

Petitioner's (CONEX) Exhibit "P-18A".

RESOLVED: That necessary proceedings be brought to hold Sea-Land Service, Inc. accountable for any and all damages suffered as a result of the aforesaid violations of the Collective Bargaining Agreement by any and/or all of the various NYSA-ILA Fringe Benefit Funds, including but not limited to the NYSA-ILA GAI Fund, the NYSA-ILA Pension Trust Fund, the NYSA-ILA Welfare Fund, the NYSA-ILA Medical & Clinical Services Fund, the NYSA-ILA Vacation & Holiday Fund, the NYSA-ILA Container Royalty Fund, and the NYSA-ILA Fringe Benefits Escrow Fund."

WHEREFORE, Petitioners respectfully pray that an Order be made confirming the Award annexed hereto as Exhibit "E" and that judgment be entered thereon together with the costs and disbursements of this action.

GLEASON & MILLER

By .....
Julius Miller, A Member of the Firm
Attorneys for Petitioner, International Longshoremen's Association, AFL-CIO

LORENZ, FINN, GIARDINO & LAMBOS

By .....
W. Donald Nyland
A Member of the Firm
Attorneys for Petitioner, New York Shipping Association, Inc.

Dated: New York, New York
July 18, 1973.

* * *

United States Court of Appeals
for the Second Circuit

International Longshoreman's Association, AFL-CIO
and New York Shipping Association, Inc.,
Petitioners,

v.

National Labor Relations Board,
Respondent.

AFFIDAVIT OF SERVICE

STATE OF NEW YORK,
COUNTY OF NEW YORK, ss.:

Nathan Chambers, being duly sworn, deposes and says that he is over the age of 18 years, is not a party to the action, and resides at 510 Atlantic Avenue, Brooklyn, New York

That on January 23, 1976, he served 1 copies of Appendix Vols. I and 2, and 2 copies of Briefs of Petitioners on International Longshoremen's Association, Afl-CIO and New YOrk Shipping Association, Inc.,

on: J. Warren Mangan, Esq.,
32-43 49th Street
Long Island City, 11103

by delivering to and leaving same with a proper person or persons in charge of the office or offices at the above address or addresses during the usual business hours of said day.

Nathan Chambers

Sworn to before me this 23d
day of January, 1976

JOHN V. DESPOSITO
Notary Public, State of New York
No. [illegible]
Qualified in Nassau County
Commission Expires March 30, 1976

United States Court of Appeals
for the Second Circuit

International Longshoremen's Association, AFL-CIO
and New York Shipping Association, Inc.,
Petitioners,

v.

National Labor Relations Board,
Respondent.

AFFIDAVIT OF SERVICE

STATE OF NEW YORK,
COUNTY OF NEW YORK, ss.:

Raymond Edgeworth, being duly sworn, deposes and says that he is over the age of 18 years, is not a party to the action, and resides at 315 Ovington Avenue, Brooklyn, New York, 11209

That on January 23, 1976, he served 1 copies of Appendix Vols 1 and 2, and 2 copies of briefs of Petitioners International Longshoremen's Association, AFL-CIO and New York Shipping Association, Inc.,

on: John Irving
General Counsel
Robert Giannasi
Assistant General Counsel
National Labor Relations Board
1717 Pennsylvania Avenue, NW
Washington, D.C. 20570

Martin D. Schneiderman,
Stephe & Johnson
1250 Connecticut Avenue, NW
Washington, D.C. 20036

Allan I Mendelsohn, Esq.,
Glassie Pewett Beebe & Shanks
1819 "H" Street, N.W.
Washington, D. C. 20006

by delivering to and leaving same with a proper person or persons in charge of the office or offices at the above address or addresses during the usual business hours of said day.

Raymond Edgeworth

Sworn to before me this
23rd day of January, 1976

JOHN V. D'ESPOSITO
Notary Public, State of New York
No. 30-4504550
Qualified in Nassau County
Commission Expires March 30, 1976